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Michael I. White, WSBA #35409
2 WILLIAMS, KASTNER & GIBBS PLLC
601 Union Street, Suite 4100
3 Seattle, WA 98101-2380
Telephone: (206) 628-6600
4 Fax: (206) 628-6611
Attorneys for Defendants James
5 Stephenson and Wayne Stripp

6
7 UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

8 STRATEGIC INTENT, LLC, a
Washington limited liability company,
9 d/b/a Palouse Falls Brewing Company,

10 JEFFREY A. GREENE and MELINDA
L. GREENE, husband and wife, in their
11 individual capacities, and the marital
community composed thereof,

12 Plaintiffs,

13 v.

14 STRANGFORD LOUGH BREWING
15 COMPANY LIMITED, a United
Kingdom Corporation for the regions of
16 Home Counties and Outer London,

17 ROBERT LITTLE and JANE DOE
LITTLE, husband and wife, in their
18 individual capacities, and the marital
community composed thereof,
19

NO.

DECLARATION OF RANDY J.
ALIMENT IN SUPPORT OF
NOTICE OF REMOVAL OF
CIVIL ACTION UNDER §§ 1332,
1441, AND 1446

DECLARATION OF RANDY J. ALIMENT IN SUPPORT OF
NOTICE OF REMOVAL OF CIVIL ACTION UNDER §§ 1332, 1441,
AND 1446 - 1

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 ANTHONY DAVIES and TRACEY
2 DAVIES, husband and wife, in their
3 individual capacities, and the marital
4 community composed thereof,

5 MICHAEL STANLEY ROSS and JANE
6 DOE ROSS, husband and wife, in their
7 individual capacities, and the marital
8 community composed thereof,

9 JAMES STEPHENSON and JANE DOE
10 STEPHENSON, husband and wife, in
11 their individual capacities, and the
12 marital community composed thereof,
13 and JAMES STEPHENSON d/b/a
14 STRANGFORD LOUGH BREWING
15 CO., STRANGFORD LOUGH
16 BREWING COMPANY INC. and
17 STRANGFORD LOUGH BREWING
18 COMPANY INC, NORTH AMERICA,

19 WAYNE STRIPP and JANE DOE
20 STRIPP, husband and wife, and the
21 marital community composed thereof,
22 and WAYNE STRIPP d/b/a
23 STRANGFORD LOUGH BREWING
24 CO., STRANGFORD LOUGH
25 BREWING COMPANY INC. and
26 STRANGFORD LOUGH BREWING
27 COMPANY INC, NORTH AMERICA

Defendants.

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DECLARATION OF RANDY J. ALIMENT IN SUPPORT OF
NOTICE OF REMOVAL OF CIVIL ACTION UNDER §§ 1332, 1441,
AND 1446 - 2

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 I, Randy J. Aliment, state:

2 1. I am an attorney licensed to practice law in the state of Washington
3 and a member of the bar of the Eastern District of Washington. I am a member
4 of the law firm of Williams, Kastner & Gibbs, PLLC and am counsel for
5 Defendants James Stephenson and Wayne Stripp (the “Removing Defendants”)
6 in the matter of Strategic Intent, LLC, et al. v. *Strangford Lough Brewing*
7 *Company, et al.*, Case No. 09-2-00195-1 filed on August 27, 2009 in the Superior
8 Court of the State of Washington in and for the County of Whitman. I am
9 submitting this declaration in support of the Notice of Removal (the “Notice”). I
10 have personal knowledge of the matters stated herein, and, if called upon to
11 testify, could and would testify competently thereto.

12 2. Attached as Exhibit A is a true and correct copy of written consents
13 to removal signed by Defendants Strangford Lough Brewing Company, Robert
14 Little, Anthony Davies and Michael Ross.

15 3. Attached collectively as Exhibit B are true and correct copies “of all
16 process, pleadings, and orders served upon” the removing Defendants prior to the
17 filing of the Notice.

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19 ///

DECLARATION OF RANDY J. ALIMENT IN SUPPORT OF
NOTICE OF REMOVAL OF CIVIL ACTION UNDER §§ 1332, 1441,
AND 1446 - 3

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 I declare under penalty of perjury under the laws of the United States of
2 America that the foregoing is true and correct.

3 DATED this 8th day of October, 2009.

4 s/Randy J. Aliment

Randy J. Aliment, WSBA #11440

5 Attorneys for Defendants James

Stephenson and Wayne Stripp

6 WILLIAMS, KASTNER & GIBBS PLLC

601 Union Street, Suite 4100

7 Seattle, WA 98101-2380

Telephone: (206) 628-6600

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Email: raliment@williamskastner.com

9 mwhite@williamskastner.com

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DECLARATION OF RANDY J. ALIMENT IN SUPPORT OF
NOTICE OF REMOVAL OF CIVIL ACTION UNDER §§ 1332, 1441,
AND 1446 - 4

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of October, 2009, I electronically filed the foregoing with the Clerk of the Court using the CM/EFC system and will send notification of such filing to the following via facsimile and U.S. Mail:

Linda Schauble-Ruff, WSBA #14707
Attorneys for Plaintiffs
AITKEN, SCHAUBLE, PATRICK, NEILL, RUFF & SHIRLEY
P.O. Box 307
Pullman, WA 99163-0307
Telephone: (509) 334-3505
Fax: (509) 334-5367

The foregoing statement is made under penalty of perjury and under the laws of the United States of America and the State of Washington and is true and correct.

SIGNED at Seattle, Washington, this 8th day of October, 2009.

s/Michael I. White
Michael I. White, WSBA #35409
Randy J. Aliment, WSBA #11440
Attorneys for Defendants James
Stephenson and Wayne Stripp
WILLIAMS, KASTNER & GIBBS PLLC
601 Union Street, Suite 4100
Seattle, WA 98101-2380
Telephone: (206) 628-6600
Fax: (206) 628-6611
Email: raliment@williamskastner.com
mwhite@williamskastner.com

DECLARATION OF RANDY J. ALIMENT IN SUPPORT OF
NOTICE OF REMOVAL OF CIVIL ACTION UNDER §§ 1332, 1441,
AND 1446 - 5

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

EXHIBIT A

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7 UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

8 STRATEGIC INTENT, LLC, a
9 Washington limited liability company,
d/b/a Palouse Falls Brewing Company,

10 JEFFREY A. GREENE and MELINDA
11 L. GREENE, husband and wife, in their
individual capacities, and the marital
community composed thereof,

12 Plaintiffs,

13 v.

14 STRANGFORD LOUGH BREWING
15 COMPANY LIMITED, a United
Kingdom Corporation for the regions of
16 Home Counties and Outer London,

17 ROBERT LITTLE and JANE DOE
18 LITTLE, husband and wife, in their
individual capacities, and the marital
community composed thereof,
19

NO.

CONSENT TO REMOVAL

CONSENT TO REMOVAL - 1

2618350.1

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 ANTHONY DAVIES and TRACEY
2 DAVIES, husband and wife, in their
3 individual capacities, and the marital
community composed thereof,

4 MICHAEL STANLEY ROSS and JANE
5 DOE ROSS, husband and wife, in their
individual capacities, and the marital
community composed thereof,

6 JAMES STEPHENSON and JANE DOE
7 STEPHENSON, husband and wife, in
their individual capacities, and the
marital community composed thereof,
8 and JAMES STEPHENSON d/b/a
9 STRANGFORD LOUGH BREWING
10 CO., STRANGFORD LOUGH
BREWING COMPANY INC. and
11 STRANGFORD LOUGH BREWING
COMPANY INC, NORTH AMERICA,

12 WAYNE STRIPP and JANE DOE
13 STRIPP, husband and wife, and the
marital community composed thereof,
14 and WAYNE STRIPP d/b/a
15 STRANGFORD LOUGH BREWING
CO., STRANGFORD LOUGH
BREWING COMPANY INC. and
16 STRANGFORD LOUGH BREWING
COMPANY INC, NORTH AMERICA

17 Defendants.

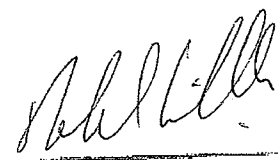
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CONSENT TO REMOVAL - 2

2618350.1


Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

1 PLEASE TAKE NOTICE THAT, Defendants Robert Little, Anthony
2 Davies, Michael Ross, and Strangford Lough Brewing Company, hereby give
3 notice of their consent to removal of the above-entitled civil action from the
4 Superior Court of the State of Washington in and for the County of Whitman
5 (Case No. 09-2-00195-1) to the United States District Court for the Eastern
6 District of Washington at Spokane.

7
8 Dated: 6th October 2009


Robert Little

9
10 Dated: 6th October 2009


Anthony Davies

11
12 Dated: 6th October 2009


Michael Ross

13
14
15 STRANGFORD LOUGH BREWING
COMPANY

16
17 Dated: 6 October 2009

By 

R. LITTLE

18
19 Its 

CONSENT TO REMOVAL - 3

Williams, Kastner & Gibbs PLLC
601 Union Street, Suite 4100
Seattle, Washington 98101-2380
(206) 628-6600

2618350.1

EXHIBIT B

**SUPERIOR COURT OF WASHINGTON
IN AND FOR WHITMAN COUNTY**

STRATEGIC INTENT, LLC, a Washington limited liability
company, d/b/a Palouse Falls Brewing Company,

JEFFREY A. GREENE and MELINDA L. GREENE, husband and
wife, in their individual capacities, and the marital community
composed thereof,

Plaintiffs,

v.

STRANGFORD LOUGH BREWING COMPANY LIMITED, a
United Kingdom Corporation for the regions of Home Counties and
Outer London,

ROBERT LITTLE and JANE DOE LITTLE, husband and wife, in
their individual capacities, and the marital community composed
thereof,

ANTHONY DAVIES and TRACEY DAVIES, husband and wife,
in their individual capacities, and the marital community composed
thereof,

MICHAEL STANLEY ROSS and JANE DOE ROSS, husband and
wife, in their individual capacities, and the marital community
composed thereof,

JAMES STEPHENSON and JANE DOE STEPHENSON, husband
and wife, in their individual capacities, and the marital community
composed of thereof, and JAMES STEPHENSON d/b/a
STRANGFORD LOUGH BREWING CO., STRANGFORD
LOUGH BREWING COMPANY INC. and STRANGFORD
LOUGH BREWING COMPANY INC, NORTH AMERICA,

WAYNE STRIPP and JANE DOE STRIPP, husband and wife, and
the marital community composed thereof, and WAYNE STRIPP
d/b/a STRANGFORD LOUGH BREWING CO., STRANGFORD
LOUGH BREWING COMPANY INC. and STRANGFORD
LOUGH BREWING COMPANY INC, NORTH AMERICA

Defendants.

COPY

AUG 27 2009

WHITMAN COUNTY CLERK

Case No.: 09 2 00195 1

SUMMONS

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TO THE ABOVE NAMED DEFENDANTS AND EACH OF YOU:

A lawsuit has been started against you in the above-entitled court by STRATEGIC INTENT, LLC, a Washington limited liability company, d/b/a Palouse Falls Brewing Company. Plaintiff's claims are stated in the written Complaint, a copy of which is served upon you with this Summons.

In order to defend against this lawsuit, you must respond to the Complaint by stating your defense in writing, and serve a copy upon the person signing this summons within 20 days after the service of this summons, or within 60 days if this Summons was served outside the State of Washington, or a default judgment may be entered against you without notice. A default judgment is one where Plaintiff is entitled to what they asked for because you have not responded. If you serve a notice of appearance on the undersigned person, you are entitled to notice before a default judgment may be entered.

You may demand that the Plaintiff file this lawsuit with the Court. If you do so, the demand must be in writing and must be served upon the person signing this Summons. Within 14 days after you serve the demand, the Plaintiff must file this lawsuit with the Court, or the service on you of this Summons and Complaint will be void.

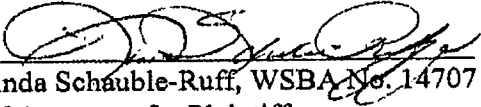
If you wish to seek the advice of an attorney in this matter, you should do so promptly so that your written response, if any, may be served on time.

This Summons is issued pursuant to Rule 4 of the Superior Court Civil Rules of the State of Washington.

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DATED this 27th day of August, 2009.

AITKEN, SCHAUBLE, PATRICK, NEILL,
RUFF & SHIRLEY

By: 
Linda Schauble-Ruff, WSBA No. 14707
Of Attorneys for Plaintiff
P.O. Box 307
Pullman, WA 99163
Telephone Number: (509) 334-3505
FAX Number: (509) 334-5367

**SUPERIOR COURT OF WASHINGTON
IN AND FOR WHITMAN COUNTY**

STRATEGIC INTENT, LLC, a Washington limited liability
company, d/b/a Palouse Falls Brewing Company,

JEFFREY A. GREENE and MELINDA L. GREENE,
husband and wife, in their individual capacities, and the
marital community composed thereof,

Plaintiffs,

v.

STRANGFORD LOUGH BREWING COMPANY
LIMITED, a United Kingdom Corporation for the regions of
Home Counties and Outer London,

ROBERT LITTLE and JANE DOE LITTLE, husband and
wife, in their individual capacities, and the marital
community composed thereof,

ANTHONY DAVIES and TRACEY DAVIES, husband and
wife, in their individual capacities, and the marital
community composed thereof,

MICHAEL STANLEY ROSS and JANE DOE ROSS,
husband and wife, in their individual capacities, and the
marital community composed thereof,

JAMES STEPHENSON and JANE DOE STEPHENSON,
husband and wife, in their individual capacities, and the
marital community composed of thereof, and JAMES
STEPHENSON d/b/a STRANGFORD LOUGH BREWING
CO., STRANGFORD LOUGH BREWING COMPANY
INC. and STRANGFORD LOUGH BREWING COMPANY
INC, NORTH AMERICA,

WAYNE STRIPP and JANE DOE STRIPP, husband and
wife, and the marital community composed thereof, and
WAYNE STRIPP d/b/a STRANGFORD LOUGH
BREWING CO., STRANGFORD LOUGH BREWING
COMPANY INC. and STRANGFORD LOUGH BREWING
COMPANY INC, NORTH AMERICA

Defendants.

Case No. **09 2 00195 1**

COMPLAINT

COPY

AUG 27 2009

WHITMAN COUNTY CLERK

COMPLAINT
Page 1

AITKEN, SCHAUBLE, PATRICK, NEILL,
RUFF & SHIRLEY
P. O. BOX 307
PULLMAN, WASHINGTON 99163
(509) 334-3505

COMES NOW the Plaintiff, STRATEGIC INTENT, LLC, d/b/a Palouse Falls Brewing Company, by and through its attorneys of record, AITKEN, SCHAUBLE, PATRICK, NEILL, RUFF & SHIRLEY, and for claims against the above-named Defendants, allege as follows:

I.

IDENTIFICATION OF PARTIES

1.1 Plaintiff LLC: STRATEGIC INTENT, LLC (d/b/a Palouse Falls Brewing Company), hereinafter sometimes referred to as "STRATEGIC," is a Washington limited liability company with its principal place of business located in Pullman, Whitman County, Washington. Said Plaintiff was formed on October 21, 2008 by the sole members and managers, JEFFREY A. GREENE and MELINDA L. GREENE. Said limited liability company is, and has been, at all times material hereto in good standing with the State of Washington, and has duly paid all licenses and fees required by law in order to conduct business in the State of Washington.

Plaintiff's microbrewery business, PALOUSE FALLS BREWING COMPANY, the subject of the instant lawsuit, was formed for the primary purpose of the production, distribution and retail and wholesale sale of authentically *Irish* microbrews. In reliance on the specific representations made by Defendants as further set forth hereinbelow, Plaintiff has held itself out to its customer base, the general public and local media, the Alcohol & Tobacco and Trade Bureau for the government of the United States of America, and the government of the country of Northern Ireland, as a brewer of exclusively authentic *Irish* ales, crafted in *Ireland* with traditional *Irish* recipes and ingredients directly imported from *Ireland*.

1.2. Plaintiffs GREENE. At all times material hereto, JEFFREY A. GREENE and MELINDA A. GREENE have been married, and the place of residence is, and has been, Pullman, Whitman County, Washington. Said Plaintiffs GREENE were the promoters and

1 organizers of STRATEGIC. In its contract dealings with Defendants SLBC NA,
2 STEPHENSON and STRIPP, said Plaintiffs GREENE were negotiating on behalf of
3 themselves, in their individual capacities and as organizers or promoters, and the said
4 limited liability company that was to be formed. Accordingly, the representations of said
5 Defendants SLBC NA, STEPHENSON and STRIPP that were made to the Plaintiffs Greene
6 as promoters should be deemed as having been made to STRATEGIC. The inaccuracy of
7 the representations made by said Defendants have caused great anxiety, stress and mental
8 anguish to the GREENES for which they should be compensated.

9
10 As used herein, where representations are alleged to have been made to STRATEGIC
11 by SLBC NA, STEPHENSON and STRIPP, such representations were in fact made to
12 Plaintiffs GREENE, but as promoters of a limited liability company that soon came into
13 fruition as STRATEGIC.

14 As further used herein, the term "Plaintiff" standing alone shall refer to
15 STRATEGIC, and the term "Plaintiffs GREENE" shall mean JEFFREY A. GREENE and
16 MELINDA L. GREENE.

17
18 1.3 Corporate Defendant. STRANGFORD LOUGH BREWING COMPANY
19 LIMITED ("SLBC"), is a foreign corporation formed in Great Britain in the regions of Home
20 Counties and Outer London. Its registered office and principal place of business at the time
21 of contracting was located at 22 Shore Road, Killyleagh, Downpatrick, County Down BT30
22 9UE, Northern Ireland, United Kingdom. Upon information and belief, SLBC's present
23 registered office is located in Wales of the United Kingdom at Unit E Llantrisant Business
24 Park, Llantrisant, Rhondda Cynon Taff, Wales, CF728Lf.

25
26 SLBC is purportedly in the business of the manufacturing, supplying and
27 distribution of *Irish* ales and brewing equipment and technology, the development of
28 proprietary business, marketing and sales systems, and the licensing of its proprietary
29 business systems, its Strangford Lough brand, materials and brewing equipment and
30 technology. It is also engaged in the business of selling exclusive licensing, franchise,
31 distribution and manufacturing rights to its craft brand *Irish* ales, proprietary SLBC business
32 systems, brewery production technology, brands, images, trademarks, trade names and logos,
33 pursuant to a license program and package." Such comprehensive business package includes
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1 the sale and installation of a fully automated proprietary brewing equipment capable of
2 producing a minimum production capacity of 75,000 liters of SLBC brewed products,
3 ongoing technical assistance in all matters pertaining to the operation of a SLBC
4 microbrewery business, and the sale of SLBC WORT (i.e., the sugary liquid created from the
5 first phase of brewing process) to be used exclusively by such licensed microbrewery in the
6 production of its SLBC craft *Irish* ales.

7 SLBC is not licensed to do business in the state of Washington.

8 1.4 Defendants LITTLE. ROBERT LITTLE, upon information and belief, is, and
9 was at all times material hereto, a married man. The full, true and correct name of ROBERT
10 LITTLE's wife is presently unknown to Plaintiff and for the purposes as set forth herein,
11 shall be referred to herein as "JANE DOE LITTLE." Upon information and belief,
12 Defendants LITTLE reside at 45 Ardigon Road, Killyleagh, County Down, BT30 9TB,
13 Northern Ireland, United Kingdom.
14

15 ROBERT LITTLE is, and was, at all times material hereto, a director, officer
16 and an equity shareholder of SLBC, holding approximately two hundred ninety nine (299)
17 shares of the total one thousand (1,000) shares of the issued and outstanding common stock
18 of the corporation.
19

20 1.5 Defendants DAVIES. ANTHONY DAVIES, upon information and belief, is,
21 and was at all times material hereto, married to TRACEY DAVIES. Upon information and
22 belief, ANTHONY DAVIES and TRACEY DAVIES reside at 22 Shore Road, Killyleagh,
23 County Down, BT30 9UE, Northern Ireland, United Kingdom.
24

25 ANTHONY DAVIES is, and was, at all times material hereto, a director,
26 officer and equity shareholder of SLBC, holding approximately six hundred ninety nine
27 (699) shares of the total one thousand (1,000) shares of the issued and outstanding common
28 stock of the corporation. As further consideration for the performance of Plaintiff pursuant
29 to the contract at issue herein, Defendant

30 1.6 Defendant ROSS. MICHAEL ROBERT ROSS, upon information and belief,
31 is, and was at all times material hereto, a married man. The full, true and correct name of
32 MICHAEL ROBERT ROSS's wife is presently unknown to Plaintiff and for the purposes as
33 set forth herein, shall be referred to herein as "JANE DOE ROSS." Upon information and
34

1 belief, MICHAEL ROBERT ROSS resides at 24 Osborne Road, Tweedmouth, Berwick-
2 Upon-Tweed TD15 2HS, England.

3 MICHAEL ROBERT ROSS is, and was, at all times material hereto, an
4 equity shareholder of SLBC, holding approximately two (2) shares of the total one thousand
5 (1,000) shares of the issued and outstanding common stock of the corporation.

6 1.7 Defendants STEPHENSON, STRIPP and SLBC NA. JAMES
7 STEPHENSON and WAYNE STRIPP, in their individual capacities and doing business as
8 "STRANGFORD LOUGH BREWING CO.," "STRANGFORD LOUGH BREWING
9 COMPANY NORTH AMERICA," "STRANGFORD LOUGH BREWING COMPANY,"
10 "STRANGFORD LOUGH BREWING COMPANY INC, NORTH AMERICA," and
11 "STRANGFORD LOUGH BREWING COMPANY, INC. NORTH AMERICA," were the
12 sole owners and operators of the above-named enterprises (all said enterprises are
13 collectively referred to herein as "SLBC NA"), headquartered in Vancouver, British
14 Columbia, Canada. All said entities above referenced in this paragraph 1.7 herein are
15 believed to be one and the same. Upon information and belief, at all material times hereto,
16 said individual Defendants are, and have been married, and their spouse's names are
17 unknown. For the purposes as set forth herein, Defendant JAMES STEPHENSON's wife
18 shall be referred to herein as "JANE DOE STEPHENSON," and together Defendant JAMES
19 STEPHENSON and JANE DOE STEPHENSON shall be referred to herein as "Defendants
20 STEPHENSON." Defendant WAYNE STRIPP'S wife shall be referred to herein as "JANE
21 DOE STRIPP," and together Defendant WAYNE STRIPP and JANE DOE STRIPP shall be
22 referred to herein as "Defendants STRIPP." The current residence addresses of said
23 Defendants are unknown, but upon information and belief, said Defendant STEPHENSON
24 and Defendant STRIPP are residents of British Columbia, Canada.

25 To Plaintiff's knowledge, SLBC NA has at no time never registered or
26 licensed its business with any regulatory authority of any state, province or country. Prior to
27 the contract at issue herein, SLBC NA was acquired by SLBC. Upon information and belief,
28 at some pint prior to the contract at issue herein, SLBC NA, some or all of its assets, were
29 acquired by SLBC, and SLBC NA no longer has a separate existence from that of SLBC.
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II.**JURISDICTION/VENUE**

2.1 Pursuant to Washington's Long-Arm statute, RCW 4.28.185, Defendants pursued purposeful acts and business within the State of Washington, including the transactions of business in this State, and the commission of tortious acts in this State.

2.2 The State of Washington is the only jurisdiction that has the most significant relationship with the causes of action in this case. The contacts with the State of Washington include the following:

- a) All said Defendants actively targeted, advertised, pursued and solicited the business of United States citizens, including residents residence from the State of Washington and Plaintiff herein;
- b) The offers, acceptance of offers and substantial bulk of the contract negotiations occurred via e-mail, postal service or by phone, at Plaintiff's principal place of business in Washington;
- c) Defendant's misrepresentations of material facts, and deceptive and unfair trade practices as further set forth hereinbelow occurred in the State of Washington;
- d) The place of performance of the contract was in the State of Washington;
- e) The personal property in dispute is located in the State of Washington;
- f) The franchise business in dispute is located in the State of Washington; and
- g) The place of the delivery of goods was in the State of Washington;
- h) The place where the subject matter of the contract is located is in the State of Washington;
- i) The territory to which the licensing and franchise rights where to be located included the State of Washington; and
- j) The domicile, residence, nationality, place of incorporation and place of business of the Plaintiff is located in the State of Washington;

2.3 The causes of action as set forth herein are connected with, and arise from, such acts and transactions as set forth hereinabove.

2.4 All said Defendants have submitted themselves to the jurisdiction of the Washington courts, by virtue of Washington's Franchise Investment Protection Act, RCW 19.100 et.seq. and Washington's Consumer Protection Act, RCW 19.86.

2.5 With respect to Defendants SLBC, LITTLE and DAVIES, The contract at issue herein provides that should the Plaintiff pursue a cause of action against SLBC, the

1 licensor, venue and jurisdiction shall be in Whitman County, Washington and the choice of
2 law shall be United States laws.

3 2.6 There is no other jurisdiction that has any greater commonality of the parties'
4 places of business and respective residences, and places of performance. At all times
5 material hereto, Plaintiff solely did business in the State of Washington. SLBC engages in
6 business internationally, throughout the United Kingdom, Europe and the North American
7 Continent. Both SLBC and SLBC NA actively targeted the business of U.S. citizens and
8 were offering for sale exclusive licenses and franchises for the State of Washington territory.
9 Upon information and belief, Defendant SLBC no longer has its principal place of business
10 located in Northern Ireland. As noted herein, upon information and belief, SLBC's principal
11 place of business is now the country of Wales, and SLBC NA has merged into SLBC.

12 2.7 Considering the quality, nature and extent of the activity in the State of
13 Washington, the relative convenience of the parties, the benefits and protection of the laws of
14 the forum state, and the basic equities dictate that the State of Washington exercise
15 jurisdiction over all the Defendants hereto.

16 2.8 The contract entered into between SLBC and STRATEGIC provides for
17 arbitration in the jurisdiction of the party requesting arbitration. Due to the particular nature
18 of the claims in the instant case, the available remedies in equity and in law, and the differing
19 parties in interest herein, arbitration of the instant disputes is not appropriate. SLBC NA,
20 STEPHENSON, and STRIPP are not parties to the contract at issue herein, and the
21 arbitration provision does not apply to said Defendants. As further set forth hereinbelow,
22 there is joint and several liability amongst all said Defendants, and the remedies requested
23 include rescission. Further, the nature of Plaintiff's claims extend beyond the contract issues
24 and include claims in tort and violations under Washington's Franchise Protection Act and
25 Consumer Protection Act.

26 2.9 This court has jurisdiction over the parties and of the subject matter of this
27 action. The laws of the State of Washington apply.

III.**PIERCING THE CORPORATE VEIL**

3.1 Upon information and belief, at all times material hereto, Defendant ROBERT LITTLE, ANTHONY DAVIES and MICHAEL ROBERT ROSS were the sole equity shareholders of SLBC.

3.2 Throughout its dealings with Plaintiff, and continuing to the present day, SLBC has disregarded its corporate form, and said shareholders of SLBC intentionally misused, controlled and manipulated said corporate form to accomplish fraud on their behalf and at the expense of Plaintiff. SLBC was, is and has to continued to be, used to promote fraud and illegality.

3.3 Upon information and belief, SLBC is undercapitalized. Defendants LITTLE and DAVIES' improper conduct has resulted in Plaintiff's likely inability to obtain an adequate remedy from SLBC.

3.4 Disregarding SLBC's corporate veil would promote an injustice and is necessary and required to prevent an unjustified loss to the Plaintiff.

IV.**BACKGROUND/OPERATIVE FACTS**

4.1 Plaintiff realleges paragraphs 1.1 through 3.4 hereinabove.

4.2 As previously referenced herein, SLBC is principally engaged in the business of manufacturing, distributing, licensing and franchising its SLBC brand craft ales. , said ales purporting to be Irish ales. It owns all license, franchise, trademark and distribution rights world-wide to the Strangford Lough craft ales known as "St. Patrick's Best," "St. Patrick's Ale," "St. Patrick's Gold," "Legbiter," and "Barelegs Brew." Said beers and ales were named after historical *Irish* figures.

4.3 Prior to November, 2008, SLBC sold its said licensing, franchise, trademark, and distribution rights covering the North American territories to SLBC NA, believed to be a general partnership located in British Columbia, with its main headquarters located in Vancouver. SLBC NA held itself out to the general public, and to Plaintiff in particular, as the North American branch office of SLBC.

1 4.4. Upon acquiring the licensing and franchise rights from SLBC for the North
2 America territories, it is believed that SLBC NA, in consult and coordination with SLBC, put
3 together a business prospectus and a sales and marketing scheme, detailing the specifics of
4 the licensing package to be offered to potential licensees. As further set forth hereinbelow,
5 said business prospectus also included promotional material pertaining to the strong Irish
6 origins and traditions of SLBC's trademark ale. The business prospectus further detailed the
7 rich Irish history of the situs of SLBC's base operations, which said business situs was
8 located in a place in Ireland that was strongly associated with St. Patrick, the patron Saint
9 who brought Christianity to Ireland.

10 4.5 Once SLBC NA secured the licensing and franchise rights as set forth
11 hereinabove, it actively solicited potential licensees in the United States to compete for the
12 exclusive franchise territories. SLBC knew at the time that SLBC NA was soliciting its
13 customer base, that SLBC NA was using a name for its operations that was almost identical
14 to SLBC's name, and that SLBC NA was representing to the public that it was the North
15 American branch office for SLBC.

16 4.6 As a part of its solicitation efforts, SLBC NA published, on the world-wide
17 internet and other postings, a Licensee Brochure Presentation Transcript, summarizing the
18 licensing package that was being offered for sale. SLBC NA, STEPHENSON and STRIPP
19 knew or should have known that said publication would be received by persons and entities
20 within the State of Washington. Upon information and belief, SLBC participated in the
21 preparation of such licensee brochure. This brochure made specific references to a presently
22 operational WORT processing plant located in Ireland from which Strangford Lough shipped
23 authentically processed WORT directly from Ireland to licensee's brewery, which the
24 licensee then processed into Strangford Lough's *Irish* beer brands.

25 4.7 In approximately September, 2008, SLBC NA Plaintiff responded to SLBC's
26 web site posting of openings for potential licensees of SLBC products. In the days and weeks
27 that followed, SLBC NA and Plaintiff communicated regarding the various details for the
28 start-up of such a franchise business and microbrewery in the State of Washington.

29 4.8 Ultimately, at the invitation of SLBC NA, Plaintiff attended on October 7,
30 2008, a business opportunity synopsis meeting conducted by JOHN STEPHENSON,
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1 WAYNE STRIPP and SLBC NA that was held in Vancouver, British Columbia. The
2 invitation to attend this meeting was extended to Plaintiff within the State of Washington.

3 4.9 At the said business opportunity synopsis meeting referenced in the preceding
4 paragraph, various oral and written statements were provided to Plaintiff regarding the *Irish*
5 origins and traditions of the craft *Irish* ale for which the licensing, franchise, manufacturing
6 and distribution rights were being offered. A written business prospectus was provided to
7 the Plaintiff at said meeting. Upon information and belief, SLBC prepared, or assisted in the
8 preparation of, said written business prospectus.

9 In the prospectus delivered to Plaintiff at the meeting, there were more than
10 twenty references to the *Irish* origins and traditions of the SLBC's trademark craft ale and
11 SLBC's base of operations. The prospectus represented that SLBC's business operations
12 were located in a place that was strongly associated with St. Patrick, the patron saint who
13 brought Christianity to *Ireland*. It further made reference to a fully operational SLBC
14 WORT processing plant located in Ireland, equipped to make necessary shipments of
15 authentically produced *Irish* WORT, crafted from *Irish* recipes and *Irish* ingredients,
16 including "shamrock." The various representations as to the *Irish* origins of SLBC's beer
17 and its base operations are more fully set forth in Article VI hereinbelow.

18 4.10 In approximately November, 2008, SLBC re-acquired all rights it originally
19 sold to SLBC NA, and merged its business operations with SLBC's main headquarters in
20 Killyleagh, County Down, Northern Ireland, United Kingdom. Part of the proprietary assets
21 it received in the transaction, included SLBC NA's business promotional material, including
22 the above business prospectus provided to Plaintiff, and SLBC NA's business concepts and
23 marketing strategies. Plaintiff was informed that nothing had changed as a result of the
24 change in the organization of SLBC and SLBC NA. In fact, SLBC continued to use, and still
25 continues to use, an almost identical business prospectus as that used by SLBC NA in its
26 initial dealings with Plaintiff. Further, to Plaintiff's knowledge, the Licensee Brochure
27 Presentation Transcript is one and the same as the Licensee Brochure Presentation Transcript
28 referenced in paragraph 4.6 hereinabove and to which Plaintiff originally responded in its
29 initial dealings with SLBC NA.
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1 4.11 At such time as SLBC acquired the business and assets of SLBC NA, or at
2 such earlier time while SLBC and SLBC NA were still a part of the joint franchise
3 arrangement, SLBC was using, interchangeably with its own corporate name,
4 STRANGFORD LOUGH BREWING COMPANY LIMITED, SLBC NA's business name,
5 "STRANGFORD LOUGH BREWING CO."

6 4.12 SLBC ratified and adopted all, or nearly all, of the representations that SLBC
7 NA had made to Plaintiff as set forth hereinabove, or otherwise remained silent as to the
8 accuracy of the representations when questioned by Plaintiff.

9 4.13 Throughout the process of the contract negotiations, SLBC continued to
10 emphasize the *Irish* origins and traditions of its WORT production facility. SLBC stressed
11 to Plaintiff that the *Irish* connection was a material factor in differentiating their product
12 from other non-*Irish* microbrews, as there were an overwhelming amount of Irish
13 descendants living in America who strongly preferred *Irish* ales. SLBC further stressed the
14 increased profitability that would be achieved in Plaintiff's microbrewery business, due to its
15 ability to provide, at reduced costs, its own advanced WORT supply.

16 4.14 On many occasions, Plaintiff conveyed to SLBC the paramount significance
17 of this *Irish* connection. SLBC assured Plaintiff that all of the ingredients used to make the
18 advanced WORT, except the water, were grown and produced in Ireland. Plaintiff had many
19 questions regarding the WORT processing plant in Ireland. Defendant deflected inquiries
20 and failed to directly answer these inquiries. At one point when Plaintiff suggested that it be
21 accorded a tour of the WORT processing plant in Ireland, Plaintiff was encouraged, instead,
22 to visit SLBC in New York City where SLBC could arrange for another tasting of SLBC
23 brand ales. At no time did SLBC advise Plaintiff that, in actuality, there was no such
24 functioning SLBC WORT plant located in Ireland or elsewhere.

25 4.15 On or about November 24, 2008, SLBC and Plaintiff entered into an
26 Exclusive Microbrewery License, Equipment, and Wort Supply Agreement. Pursuant to the
27 terms of said contract, SLBC was to provide to Plaintiff at the cost of \$330,000.00 all the
28 brewery equipment necessary in order to implement a fully operational Microbrewery with a
29 monthly minimum production capacity of 75,000 liters of SLBC brewed products. Said
30 equipment was to be ready for shipment to Plaintiff's place of business on or before January
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1 9, 2009. Within fourteen (14) days after the arrival of the equipment, SLBC was to have
2 fully operational and commissioned Microbrewery. The first batch of product was to be
3 brewed, bottled and kegged under SLBC supervision not later than twenty-one (21) days
4 after delivery of the said brewery equipment to Plaintiff.

5 4.16 In addition, the contract provided for licensing rights to use all propriety
6 SLBC systems, equipment and technology, brands, and trademarks, all of which would be
7 supplied to Plaintiff by SLBC for its use in the exclusive territories of Washington,
8 California, Idaho and Oregon. The contract further provided for exclusive manufacturing
9 rights of SLBC products in the state of Washington, and exclusive distribution rights in
10 Washington, California, Idaho and Oregon. Plaintiff was accorded first rights of refusal to
11 said licensing, manufacturing rights to other territories. Said license term was to commence
12 on March 1, 2009. In consideration of said licensing rights, Plaintiff agreed to pay the sum
13 of \$50,000.00 for the first annual term, and \$18,000.00 for each annual term thereafter.
14

15 4.17 On the date of the execution of the contract, and in accordance therewith,
16 Plaintiff wired money to SLBC in the amount of \$50,000.00 for the license fee and
17 \$82,500.00 for the first equipment installment payment.
18

19 4.18 On or about December 23, 2008, SLBC confirmed that all of the equipment
20 that was to be delivered under the contract had been inspected and was in satisfactory
21 condition. As such, and pursuant to the contract, Plaintiff immediately wired money to
22 SLBC in the amount of \$165,000.00, representing the second of the three equipment
23 installment payments that were required under the contract.
24

25 4.19 During the period of January 18, 2009 through approximately April 9, 2009,
26 the substantial majority of the brewing equipment was delivered to Plaintiff's microbrewery.
27 On approximately April 30, 2009, SLBC commenced the equipment installation.

28 4.20 In the months that followed, there were numerous equipment failures. Most
29 of the equipment defects did not come to light until months later when SLBC attempted to
30 commission the same. Some of the equipment that was delivered did not conform to the
31 terms of the contract. For instance, a used bottle capping machine of a different brand than
32 what was represented to Plaintiff was supplied to Plaintiff and it was faulty. A twenty-four
33 spout bottler rinser was specified under the contract and a four spout bottle rinser had been
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1 supplied. There were significant problems with the cooling jacket insulation and the glycol
2 chiller compressor that significantly compromised the quality of the brewed products.
3 Attempts were made to fix these problems but they still remain unresolved. There were
4 numerous items of equipment that were required to be provided in order to efficiently
5 operate the microbrewery which were not provided and continue to remain unprovided. All
6 of said delays, equipment failures, equipment procurement issues and non-conforming items
7 caused Plaintiff considerable delays, loss of productivity and profits, and damage to
8 Plaintiff's sample brews, brewing inventory and supplies. These problems and issues
9 continue to remain to the present date.

10
11 4.21 The contract provided that SLBC was to provide Plaintiff with SLBC's own
12 ADVANCED WORT shipped directly from Ireland to Plaintiff's place of business no later
13 than February 1, 2009, provided that Plaintiff's initial order of WORT was to be received by
14 SLBC no later than December 20, 2008. On or about May 20, 2009, Plaintiff received from
15 SLBC the initial malt extract used in the production of WORT. This was only a small
16 sampling of that which had been ordered in January, 2009, and said WORT was not in
17 conformity with the contract requirements. The malt extract was not produced by SLBC. In
18 fact, it was produced by an independent malt manufacturer in Scotland using said malt
19 manufacturer's own recipes and ingredients. None of the ingredients were of *Irish* origin.
20 The WORT was not ADVANCED WORT as contracted. The WORT could not replicate the
21 authenticity of the *Irish* recipe, and the WORT, as brewed, could not and did not replicate
22 SLBC's craft ales. As the WORT supply is not manufactured in-house by SLBC, the cost of
23 the malt extract supplied is greater than represented by SLBC.

24
25 4.22 Throughout SLBC's attempts at performance under the contract at issue
26 herein, Defendant repeatedly represented to Plaintiff that its WORT processing plant would
27 be fully operational in the very near future. Plaintiff relied on these representations in going
28 forward with the contract. As a part of the bottle labeling process, SLBC's counsel worked
29 with SLBC and Plaintiff in order to design uniform labels for all SLBC brand brews.
30 Throughout this process, SLBC insisted that the labels carry appropriate references to the
31 *Irish* origins of the beer, and the *Irish* ingredients used to make the beer. After an
32 approximate three month period, the Alcohol & Tobacco and Trade Bureau of the Federal
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1 Government approved the SLBC brand labels that made reference to the beer having been
2 "crafted in Ireland" from ingredients "imported" from Ireland.

3 4.23 Unless or until SLBC has a fully functioning and operational WORT
4 processing plant in Ireland and the ingredients used to produce such WORT originate from
5 Ireland, the said SLBC brand labels referenced in the preceding paragraph are inaccurate and
6 misleading and cannot be used. Plaintiff is not permitted to use labels that SLBC does not
7 approve, and the SLBC labels are required to be uniform. Until such time as this issue has
8 been corrected, Plaintiff is unable to market any SLBC beer that may be brewed at its
9 facility, thereby causing further delay and damage to Plaintiff's business.

10 4.24 As a result of said failures of performance on the part of SLBC, Plaintiff has
11 incurred, and continues to incur, substantial out-of-pocket expenses. SLBC agreed to
12 promptly reimburse Plaintiff for the same, but despite said promises, said amounts remain
13 unpaid and continue to remain outstanding.

14 4.25 Plaintiff has previously presented and delivered in the manner required by law
15 a written Notification/Cure Letter to Defendant. The delivery of said Notification/Cure
16 Letter was also in accordance with the Notice provisions of the contract. Many of the
17 defaults specified in said letter have not been corrected. SLBC has indicated to Plaintiff that
18 some of the defaults cannot be corrected, it has no intention of correcting others, some
19 defaults Plaintiff will have to work around, and some of the defaults may be remedied in the
20 future but with no clear indication as to how and when.

21 4.26 Over thirty (30) days have elapsed since the time of the delivery of said
22 Notification/Cure letter and it is proper to maintain this action.

23 4.27 Plaintiff has now been advised by Defendant that the SLBC labels shall now
24 also be affixed to the neck of the beer bottles and additional changes need to be made to the
25 main body label. The bottle labeling equipment supplied by SLBC to Plaintiff is not capable
26 of applying neck labels to the bottles

27 4.28 Since SLBC has received the Notification/Cure letter noted above, SLBC has
28 offered to independent brewers in the United States the opportunities to manufacture and
29 distribute SLBC ales in various other territories that are not included in Plaintiff's licensing
30 agreement. These territories are included as a part of Plaintiff's first refusal rights as further
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1 set forth in paragraph 4.15 hereinabove. SLBC has not received Plaintiff's consent to make
2 these offers, and Plaintiff has not been accorded the opportunity to assert its first refusal
3 rights regarding these offers.

4 4.29 Plaintiff's microbrewery continues to remain in a state of disrepair and is not
5 capable of production. Even under SLBC's direct supervision, the test brews do not
6 resemble the SLBC brands. The product brewed from this WORT is not and cannot be
7 *Irish*.

8
9 **V.**

10 **SLBC IS A SUCCESSOR IN INTEREST TO SLBC NA AND IS BOUND BY THE**
11 **ACTS, CONDUCT AND REPRESENTATIONS OF SLBC NA/JOINT AND**
12 **SEVERAL LIABILITY**
13

14 5.1. Plaintiff realleges paragraphs 1.1 through 4.29 hereinabove.

15 5.2 "Strangford Lough Brewing Company Limited" and "Strangford Lough
16 Brewing Co." are in engaged in the same business enterprise and the names are deceptively
17 similar. SLBC was aware that SLBC NA was claiming to be the North American office of
18 SLBC, and SLBC used the name of SLBC NA in its business dealings with licensees.
19

20 5.3 SLBC acquired all rights to the property and assets of SLBC NA and has
21 merged its operations as a part of its own operations.

22 5.4 SLBC was aware of the false and misleading representations SLBC NA made
23 to Plaintiff during the contract negotiations, and in fact acquired the business prospectus and
24 promotional material from SLBC NA that SLBC NA used as a part of its solicitation efforts
25 towards Plaintiff. It has since used said materials in its own business dealings with potential
26 licensees, and has accepted, confirmed and ratified said false and misleading representations.
27

28 5.5 SLBC was a willing participant in a scheme or artifice that was designed to
29 deceive Plaintiff and others, and knew that Plaintiff believed the truth and accuracy of said
30 representations that were made as an inducement to enter into the contract. Plaintiff was
31 entitled to rely on said representations and did so rely.

32 5.6 SLBC is a successor-in-interest to SLBC NA and is bound by the
33 representations made by its said predecessor-in-interest.
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1 5.7 All said Defendants as set forth herein either acted in concert to harm the
2 Plaintiff, or acted independently of each other but caused indivisible harm by their tortious
3 conduct; therefore, each said Defendant is jointly and severally liable for all damages
4 sustained by Plaintiff.

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6 **VI.**

7 **CAUSE OF ACTION AGAINST DEFENDANTS STEPHENSON, STRIPP AND SLBC**
8 **NA, FOR FRAUD/NEGLIGENT MISREPRESENTATION**

9 6.1 Plaintiff realleges paragraphs 1.11 through 5.7 hereinabove.

10 6.2 During the approximate period of late September, 2008, through
11 approximately October 20, 2008, JAMES STEPHENSON and WAYNE STRIPP, in their
12 individual capacities and doing business for SLBC NA, owned all licensing, franchise,
13 marketing, manufacturing and distribution rights to SLBC'S brand ale, proprietary business
14 systems and trademarks and logos in the North American territories. In an effort to secure
15 Plaintiff as a potential licensee for the territories of Washington, California, Idaho and
16 Oregon, said parties intentionally or negligently made a series of repeated verbal and written
17 material misrepresentations of fact, under circumstances which entitled Plaintiff to rely
18 thereon and upon which Plaintiff did, in fact, rely upon its contract negotiations with SLBC
19 NA and its subsequent agreement to enter into said licensing agreement with SLBC.

20 6.3 The material misstatement of facts as set forth hereinabove included the
21 following representations:

- 22 a) SLBC NA was the North American branch office of SLBC;
23 b) SLBC had a true and legitimate business presence located in
24 Killyleagh, County Down, Northern Ireland;
25 c) SLBC, had a fully operational WORT processing facility located in
26 Killyleagh, County Down, Northern Ireland;
27 d) SLBC'S WORT processing plant was capable of shipping, directly
28 from Ireland, the necessary WORT supply to Plaintiff;
29 e) SLBC directly manufactured and brewed, from its own facilities
30 located in Ireland, and under SLBC's direct supervision and control,
31 the SLBC brand craft ale;
32 f) The recipes for SLBC craft ales came from traditional and time
33 honored *Irish* recipes, which recipes stemmed back some one thousand
34 (1,000) years ago;
35

- 1 g) That the ingredients that were used to make the WORT, including the
2 "shamrock," was grown and produced locally in Ireland;
3 h) The WORT that would be supplied to Plaintiff would be authentically
4 produced in Ireland and directly shipped from SLBC's own processing
5 plant in Ireland;

6 6.4. Said Defendants had a duty of care to Plaintiff to accurately represent the
7 material elements of the contemplated transaction and the comprehensive business, licensing
8 and franchise or sub-franchise package it was offering for sale.

9 6.5 The representations were material to Plaintiff's contract negotiations and its
10 ultimate decision to enter into the subject contract with SLBC. All said representations as set
11 forth hereinabove were false. Said Defendants knew or should have known that the
12 representations as set forth herein were false, or that they were ignorant of the truth of said
13 representations, and they intended that Plaintiff would act upon said representations in
14 reliance thereon. Plaintiff was not aware, at any time material hereto, that said
15 representations were false, and it relied on the truth of the representations made. Plaintiff
16 would not have entered into the contract at issue herein had it known that said
17 representations were not true. Plaintiff had a right to rely on the stated representations and
18 suffered consequent damage as a result thereof.

19 6.6 As a proximate result of said intentional or negligent misrepresentations as set
20 forth hereinabove, and the breaches of said Defendants' duty to Plaintiff herein, Plaintiff
21 entered into the contract at issue herein under false pretenses and suffered the said damages
22 as a result thereof as more particularly set forth in Article XIII hereinbelow.

23 VII.

24 CAUSE OF ACTION AGAINST SLBC, DEFENDANTS LITTLE AND DAVIES FOR 25 FRAUD/NEGLIGENT MATERIAL MISREPRESENTATIONS IN THE 26 INDUCEMENT OF THE CONTRACT

27 7.1 Plaintiff realleges paragraphs 1.1 through 6.6 hereinabove.

28 7.2 SLBC knew or should have been aware of the material misrepresentations of
29 fact as more specifically set forth in Article VI hereinabove that were repeatedly
30 communicated to Plaintiff in written and oral form throughout the contract negotiations. It
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1 continued to use, and still continues to use, the promotional literature, business prospectus,
2 business concepts and licensee brochure presentation transcripts of SLBC NA under its own
3 copyright and name and at no time, until recently, did it attempt to distance itself from said
4 representations or correct the misinformation provided to Plaintiff.

5 7.3 Defendants SLBC, ROBERT LITTLE and ANTHONY DAVIES, in addition
6 to those representations as set forth in the business prospectus and Licensee Brochure
7 Presentation Transcript as set forth herein, on repeated occasions and prior to contracting,
8 directly stated or purposely led Plaintiff to believe by their statements or silence that certain
9 misrepresentations of material fact were true. Said material misrepresentations include the
10 following:
11

- 12 a) SLBC, had a fully operational WORT processing facility and brewery
13 located in Ireland;
- 14 b) SLBC'S WORT processing plant was capable of immediately
15 shipping, directly from Ireland, the necessary WORT supply to
16 Plaintiff;
- 17 c) SLBC directly manufactured and brewed, from its own facilities
18 located in Ireland, and under its direct supervision and control, SLBC
19 brand craft ale;
- 20 d) The sample beer under the SLBC brands Plaintiff tasted prior to
21 contracting, and for which it was to replicate, were directly brewed by
22 SLBC from its own facilities located in Ireland;
- 23 e) The recipes for SLBC craft ales came from traditional and time
24 honored *Irish* recipes that SLBC owned;
- 25 f) That all the ingredients that were used to make the WORT, except the
26 water, was grown and produced locally in Ireland;
- 27 g) The WORT that would be supplied to Plaintiff would be authentically
28 produced in Ireland and directly shipped from SLBC's own processing
29 plant in Ireland;
- 30 h) The SLBC WORT used to make SLBC brand craft *Irish* ales came
31 from a consistent source and recipe;
- 32 i) The WORT to be supplied to Plaintiff as a part of the contract would
33 come from the same recipe and WORT supply as used to make all
34 other SLBC brands, including the sample ales Plaintiff had tasted prior
35 to contracting;
- 36 j) The WORT to be supplied to Plaintiff as a part of the contract would
come from SLBC's own processing plant in Ireland from the local
Irish ingredients noted above, using traditional and time-honored *Irish*
recipes and *Irish* brewing traditions directly supervised by SLBC;

- 1 k) The beers that Plaintiff would produce would be of the same color,
2 consistency, taste, and quality of the SLBC ales purportedly brewed in
3 Ireland by SLBC;
4 l) Plaintiff's microbrewery equipment would be delivered and fully
5 operational within two months from contracting;
6 m) Plaintiff's microbrewery would be fully operational and capable of
7 brewing a monthly minimum production capacity of 75,000 liters of
8 SLBC brewed products within three months from the date of
9 contracting.

10 7.4 The representations made by SLBC, ROBERT LITTLE and ANTHONY
11 DAVIES to Plaintiff as set forth in paragraph 7.3 hereinabove were material to Plaintiff's
12 decision to enter into the subject contract with SLBC and they were all false. Said
13 Defendants knew or should have known that the representations as set forth herein were
14 false, and they intended that Plaintiff would act upon said representations. Plaintiff was not
15 aware at the time of contracting that said representations were false, and it relied on the truth
16 of the representations made. Plaintiff would not have entered into the contract at issue herein
17 had it known that said representations were not true. Plaintiff had a right to rely on the stated
18 representations and suffered consequent damages as a result thereof.

19 7.5 In its business negotiations with Plaintiff, said Defendants had a duty to
20 Plaintiff to provide accurate and reliable information to Plaintiff from which it could make a
21 reasonable informed decision as to the merits and risks of the instant contract. Defendant
22 breached its said duty to Plaintiff, and as a proximate cause thereof, Plaintiff has been
23 damaged as further set forth in Article XIII hereinbelow.

24 7.6 Further, as a result of said fraud in the inducement of the contract, Plaintiff is
25 entitled to an election of remedies for rescission of the contract, abatement of the purchase
26 price, or damages equal to the difference between the actual value of the performance that
27 was received by Plaintiff and the value of the performance promised.

28 VIII

29 UNILATERAL MISTAKE

30 8.1. Plaintiff realleges paragraph 1.1 through 7.6 hereinabove.

1 8.2 At the time of contracting, Plaintiff was mistaken as to material elements of
2 the contract. Plaintiff believed that SLBC had a currently operational WORT processing
3 plant and brewery located in Ireland from which it manufactured authentic *Irish* ales and
4 WORT products, using *Irish* ingredients using and traditional and time-honored *Irish* recipes
5 and *Irish* brewing traditions directly supervised by SLBC. It further believed that the *Irish*
6 recipes to which SLBC made claim to were owned by SLBC and could be replicated by
7 Plaintiff on the basis of the SLBC WORT supplied to Plaintiff. It believed that the beer that
8 it contracted to replicate came from such recipe, and that there was a consistency in taste and
9 quality amongst all SLBC brand ales. It further believed that SLBC could provide the
10 necessary WORT to produce a minimum of 75,000 liters of SLBC beer on a monthly basis,
11 and that microbrewery would be fully operational and manufacturing SLBC beer within three
12 months from the date of contracting, coincident with when the licensing term period was to
13 commence.
14

15 8.3. The true facts, however, were that SLBC at no time prior, and at no time since
16 contracting, had its own WORT processing plant located in Ireland or elsewhere. In fact, it
17 had limited business presence in Ireland, if at all. SLBC had not, and to this date never has,
18 independently brewed its own beers. The sample beers to which Plaintiff tested were in fact
19 contract-brewed from a Scottish or English brewery with ingredients that came from many
20 places other than Ireland. The SLBC recipe was not authentic. It was remotely replicated
21 from other popular *Irish* beer brands and could not be replicated by SLBC without the same
22 ingredients, recipes and malt. SLBC, ROBERT LITTLE and ANTHONY DAVIES knew
23 that any WORT to be supplied would be resourced from independent malt manufacturers
24 outside Ireland, using said malt manufacturer's own ingredients and recipes. SLBC,
25 ROBERT LITTLE and ANTHONY DAVIES knew that there was no SLBC WORT
26 processing plant capable of filling the Plaintiff's orders. In essence, the SLBC ales were not,
27 in any sense, of *Irish* origin and could not be replicated by Plaintiff even under SLBC's
28 direct supervision.
29

30 8.4 Plaintiff's mistaken beliefs were well known to SLBC and were, in fact
31 perpetrated by SLBC, ROBERT LITTLE and ANTHONY DAVIES, but said Defendants
32 failed to disclose to Plaintiff that the same were not true.
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1 8.5 Plaintiff acted in good faith, and once learning the true state of the facts, made
2 all reasonable efforts for Defendants to bring its performance in conformity with the
3 representations of SLBC and the reasonable expectations of Plaintiff.

4 8.6 A rescission of the contract is an appropriate remedy to avoid a substantial
5 detriment to Plaintiff and it works no substantial hardship to said Defendants.

6
7 IX.

8 **CAUSE OF ACTION AGAINST ALL DEFENDANTS FOR VIOLATION OF**
9 **FRANCHISE PROTECTION ACT BREACH OF CONTRACT/ UNIFORM**
10 **COMMERCIAL CODE**

11
12 9.1 Plaintiff realleges paragraphs 1.1 through 8.6 hereinabove.

13 9.2 The licencing contract at issue herein initially offered to Plaintiff by
14 Defendants SLBC NA, JAMES STEPHENSON and WAYNE STRIPP, and ultimately
15 entered into between Plaintiff and SLBC, pertained to the distribution of goods under a
16 marketing plan prescribed or suggested in substantial part by SLBC. Said marketing plan
17 included marketing strategies, access to SLBC marketing materials, volume buying power,
18 profit and productivity information, and proven sales information. The licensing package
19 also included access to advice, consultation and technical assistance pertaining to required
20 uniform trademark labeling requirements, promotional materials, the operation and
21 management of a microbrewery. The licensing program pertained to exclusive locations and
22 labels, brand name recognition and trademark protection, tested marketing techniques, pre-
23 established customer bases, assistance in a fast-tracked process for federal and state licensing
24 and permits. It also included a pre-sale portion of beer production from SLBC's list of
25 contacts.

26 9.3 The operation of Plaintiff's business under said licensing contract was
27 substantially associated with the SLBC trademark, trade name, logo, advertising and
28 commercial symbol designating, owned by, or licensed by SLBC.

29 9.4. Plaintiff paid, and was required to pay, a franchise fee in a lump sum for each
30 year of the franchise. For an additional sum and under other terms and conditions, Plaintiff
31

1 was given a first right of refusal for licensing and franchise rights for the territories of
2 California, Idaho and Oregon.

3 9.5 The transactions as set forth herein were not isolated transactions, as said
4 Defendants were engaged in the business of selling licensing and franchise rights.

5 9.6 The transactions as set forth herein constitute sales or offers to sell a franchise
6 or subfranchise in the State of Washington and are governed by Washington's Franchise
7 Protection Act, RCW 19.100 et.seq. Pursuant to said Act, SLBC is a "Franchisor" and SLBC
8 NA was a "SubFranchisor."

9 9.7 No said Defendant named herein at any times material hereto properly
10 registered their offers with the State of Washington.

11 9.8 All said Defendants herein in connection with the offer or sale of said
12 franchise or sub-franchise, as the case may be, performed the following acts constituting
13 misrepresentations under the Franchise Protection Act:
14

- 15 a) Made, by way of written and oral communications, untrue statements
16 of material facts, and omitted to state material facts necessary in order
17 to make the statements that were made, in light of the circumstances
18 under which they were made, not misleading;
19 b) Employed a scheme or artifice to defraud the Plaintiff; and
20 c) Engaged in an act, practice, or course of business which operated or
would operate as a fraud or deceit upon the Plaintiff.

21 9.9 As a result of conduct and failures of Defendants, Plaintiff has suffered, and
22 shall continue to suffer, damages as further set forth in Article XIII hereinbelow, and is
23 entitled herein to an award of up to treble the actual damages sustained, plus costs and
24 attorneys fees, or in the alternative, for a rescission of the contract.
25

26
27 **X.**

28 **CAUSE OF ACTION AGAINST ALL DEFENDANTS FOR VIOLATION OF**
29 **CONSUMER PROTECTION ACT/UNFAIR COMPETITION/FALSE**
30 **ADVERTISING**

31
32 10.1 Plaintiff realleges paragraph 1.1 through 9.9 hereinabove.
33
34
35

10.2 The acts and misconduct as set forth hereinabove constitutes false advertising and unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce pursuant Washington Consumer Protection Act, RCW 19.86 et. seq.

10.3 The acts and conduct of the Defendants as set forth herein involve a franchise business which the Legislature, pursuant to the Franchise Protection Act, has declared to be affected by the public interest.

10.4 Pursuant to Washington's said Consumer Protection Act, Plaintiff is entitled to seek injunctive relief to enjoin further violations, recover up to treble the amount of actual damages sustained, and a discretionary award of costs and attorneys fees.

10.5 Plaintiff's actual damages for breaches as set forth herein are more specifically set forth in Article XIII hereinbelow.

XI.

CAUSE OF ACTION AGAINST SLBC, DEFENDANTS LITTLE AND DAVIES FOR BREACH OF CONTRACT/UNIFORM COMMERCIAL CODE/EXPRESS AND IMPLIED WARRANTIES

11.1 Plaintiff realleges paragraphs 1.1 through 10.5 hereinabove.

11.2 The contract at issue herein involves the commercial sale of specific goods and services and is governed by the Uniform Commercial Code, Article 2.

11.3 Pursuant to the contract at issue herein, SLBC was to provide to Plaintiff all the brewery equipment necessary in order to provide a "turnkey" microbrewery operation, capable of producing the monthly capacity of SLBC brewed beer as further set forth in paragraph 4.14 hereinabove.

11.4 Plaintiff relied on Defendant's superior knowledge and skill to determine what equipment and accessories would be necessary for the efficient operation of such a microbrewery.

11.5 Pursuant to the contract, SLBC expressly warranted for a period of one year all of the equipment provided and its workmanship. Further, SLBC was a merchant with respect to the particular goods sold. As such, with respect to said equipment sold under the

1 contract, SLBC made implied warranties of merchantability and implied warranties of fitness
2 for a particular purpose.

3 11.6 As set forth in Article IV hereinabove, there were numerous breaches of
4 performance on SLBC's part that pertained to equipment procurement, equipment defects,
5 non-conforming equipment and equipment delays. Plaintiff has accorded SLBC ample
6 opportunity to cure said defaults. Notwithstanding, these issues persist to the instant date
7 and include, amongst other items, the following defective equipment or necessary items that
8 are required for the efficient operation of the microbrewery:

- 9
- 10 a) Non-conforming or defective bottle capping machine;
 - 11 b) Defective chiller/glycol system;
 - 12 c) Defective cooling jackets on the bottom of the Bright Beer tank;
 - 13 d) Defective Kegging equipment;
 - 14 e) Broken housing on the spare pump;
 - 15 f) Non-conforming bottle rinser;
 - 16 g) Lacking Carbon dioxide regulators for the bright beer tank, bottle filler
17 and keg filler;
 - 18 h) Lacking Mother carton sealer;
 - 19 i) Lacking Calibrated site glass for the liquid level on the hot liquor tank
20 and dissolving vessel;
 - 21 j) Lacking adequate work surface for the bottle transfer from pallets to
22 the bottle labeling machine;
 - 23 k) Lacking adequate work surface for the bottle transfer from the
24 sanitizer to the bottle filler;
 - 25 l) Lacking adequate work surface for the bottle transfer from bottle
26 capper to the carrier and mother carton packing;
 - 27 m) Lacking heating element for the kegging equipment;
 - 28 n) A method for pressurizing the product to the bottle filler is lacking;
 - 29 o) A matching receptacle and plug for the kegging machine product
30 pump is lacking;
 - 31 p) A hose connection and undamaged fan cover for the concentrate
32 pump.

33 11.7 In addition to the above breaches of performance and express and implied
34 warranties, Defendant has breached its performance under the contract by failing to fulfill the
35 necessary advance WORT supply orders required by Plaintiff. It has further deprived
Plaintiff of the benefit of its bargain regarding its licensing rights, as the licensing term is to
expire on April 30, 2010 and Plaintiff is still unable to manufacture the brewed products.

11.8 The contract at issue herein contains provisions setting forth that the SLBC WORT to be supplied to Plaintiff was to be made by SLBC in Ireland. The contract further states that SLBC would provide the necessary technical assistance in order that Plaintiff's brewed product would be of the same color, consistency, taste and quality as if such brewed products had been brewed in Ireland by SLBC. SLBC's failure to have an operating WORT processing plant in Ireland is a substantial breach of the contract.

11.9 SLBC has been, and continues to be, unable to replicate the color, consistency, taste and quality of its own SLBC brands at Plaintiff's microbrewery. This was the gravamen of the contract and constitutes a material breach thereof.

11.10 As a result of said breaches in performance and breaches of express and implied warranties, Plaintiff has suffered, and continues to suffer, damages as further set forth in Article XIII hereinbelow.

XII

PERSONAL GUARANTEE OF ROBERT LITTLE AND ANTHONY DAVIES

12.1 Plaintiff realleges paragraphs 1.1 through 11.10 hereinabove.

12.2 According to the contract at issue herein, all equipment that was to be provided to Plaintiff under the terms of the Contract were to be free and clear of any liens or encumbrances.

12.3 As further consideration for the performance of Plaintiff pursuant to the contract at issue herein, Defendants ROBERT LITTLE and ANTHONY DAVIES signed a personal guarantee, thereby guaranteeing that all equipment as provided for and referenced in the contract was unencumbered and free of all mortgages, charges and liens.

12.4 Confirmation that said equipment provided was free and clear of liens was to be provided by Defendants. To this date, Plaintiff has received no documentation or written confirmation that said equipment provided is free and clear of liens or encumbrances.

12.5 Pursuant to Article XIII hereinbelow, materials and services have been provided on Plaintiff's leasehold premises which continue to remain unpaid. Said services were secured by SLBC in part to install or remedy defects in the equipment provided by SLBC.

12.7 Defendants Little and Davies are personally liable under said guarantee for any said defects in title or lienhold encumbrances on said equipment.

13.1 Plaintiff realleges paragraphs 1.1 through 12.7 hereinabove.

13.2 Plaintiff has incurred out-of-pocket for the equipment, purchase installments and the initial licensing fee in the following amounts:

a)	SLBC license fee	\$50,000.00
b)	SLBC purchase price installments	<u>\$247,500.00</u>
		<u>\$297,500.00</u>

13.3 Plaintiff has incurred, and shall continue to incur, costs associated with the lease and leasehold improvements made necessary in anticipation of the performance of SLBC under the contract. These costs and expenses include the following:

a)	Costs for building improvements	\$91,000.00
b)	Miscellaneous equipment costs	\$22,000.00
c)	Facility Lease (52 months @ \$3,000.00/mo.)	\$156,000.00
d)	Utilities (3/09 - 7/09)	\$2,813.66
e)	Inventory	\$11,745.00
f)	Operating Supplies	<u>\$1,500.00</u>
		\$285,505.66

13.4 Plaintiff has advanced and incurred to date the following out-of-pocket expenses that were the responsibility of SLBC in SLBC's performance of its duties under the contract:

a)	Necessary supplies, parts, equipment, inventory and rentals	\$4,895.54
b)	Construction and installation	\$3,344.01
c)	Duty/shipping/handling for equipment and product delivery	\$2,579.45
d)	Transportation and mileage	<u>\$110.00</u>
		<u>\$10,929.00</u>

13.5 The following is a list of contractors hired by SLBC to perform SLBC's duties at the microbrewery location who continue to remain unpaid and for which Plaintiff may likely be held responsible to pay in order to keep the property in which said equipment is located free from mechanic's and materialmen's liens:

a)	Strom Electric	\$12,756.01
b)	Ken Paulson Plumbing	\$2,181.43
c)	All Fabrication & Supply, LLC	\$1,458.49
d)	Power Science Engineering	<u>\$1,818.00</u>
		<u>\$18,213.93</u>

13.6 As a result of the various equipment failures caused by SLBC, Plaintiff has further loss to its product and inventory, in the approximate amount of \$1,000.00.

13.7 As a result of Defendant's misrepresentations concerning the *Irish* origins of the WORT supply and the ingredients used in connection therewith, Plaintiff has suffered out-of-pocket expenses for unusable labels, keg collars and accompanying carrying cases and accessories in the approximate amount of \$1,400.00.

13.8 As a result of the acts, conducts, breaches and violations as set forth hereinabove, Plaintiff has been damaged in an amount equal to the difference between the

1 value of the property and performance that was promised by SLBC to the Plaintiff and the
2 actual value of the property and performance that was actually received by the Plaintiff (i.e.,
3 "the benefit of the bargain"), plus damages for loss of time and income, inconvenience, and
4 other general damages, all which said damages shall be proven at trial.

5 13.9 As a result of the inaccuracies of the representations made by Defendants
6 SLBC NA, STEPHENSON and Stripp to Plaintiffs GREENE, the GREENES have suffered
7 anxiety, stress and mental anguish in an amount to be proven at trial.
8

9 WHEREFORE, Plaintiff, STRATEGIC INTENTS, LLC, prays for the following
10 relief:
11

12 1. For rescission of the contract with SLBC, and a recovery of out-of-pocket
13 expenses incurred herein and to be continue to incur herein, in order to place Plaintiff in the
14 same situation as it was before it contract with Defendants.

15 2. In the alternative to rescission, for treble the losses and out of pocket damages
16 sustained by Plaintiff as set forth herein and in the further amounts to be proven at trial.
17

18 3. For injunctive relief enjoining SLBC from participating in such other and
19 further acts of deceptive and unfair trade practices in the State of Washington;

20 4. For damages in favor of STRATEGIC and against all Defendants in an
21 amount to be proven at trial for loss of profits anticipated under the benefit of the bargain
22 Plaintiff had anticipated had SLBC's performance been in conformity with its
23 representations in the inducement of the contract and the actual contract terms;

24 5. For general damages in favor of STRATEGIC and against all Defendants in
25 an amount to be proven at trial for loss of time and income, inconvenience, and other general
26 damages.
27

28 6. In the alternative to damages for lost profits and the "benefit of the bargain,"
29 for a lien in favor of STRATEGIC on and against the contract property in Plaintiff's
30 possession, for costs and additional purchase amounts to cover the substitution of non-
31 conforming goods and for recoupment of the purchase price sums remaining due and owing,
32 plus incidental damages and consequential damages;
33
34
35

1 7. For a judgment in favor of STRATEGIC against all said Defendants for costs
2 and reasonable attorneys fees arising out of the institution and prosecution of these
3 proceedings;

4 8. For a judgment in favor of Plaintiffs GREENE as against Defendants SLBC
5 NA, STEPHENSON AND STRIPP for damages as a result of anxiety, stress and mental
6 anguish proximately caused by said Defendants' false and misleading representations in an
7 amount to be proven at trial.

8 9. For such other relief as the court deems fitting and proper.
9

10
11 DATED this 27 day of August, 2009.
12
13
14

15 AITKEN, SCHAUBLE, PATRICK,
16 NEILL, RUFF & SHIRLEY

17
18
19 By: 

20 Linda Schauble-Ruff, WSBA # 014707
21 Of Attorneys for Plaintiff
22 165 Kamiaken Street, Suite 210
23 P.O. Box 307
24 Pullman, WA 99163
25 (509) 334-3505
26
27
28
29
30
31
32
33
34
35

STATE OF WASHINGTON)

County of Whitman)

: ss.

JEFFREY A. GREENE and MELINDA L. GREENE, Managers, of STRATEGIC INTENT, LLC, being first duly sworn, depose and say as follows: We are the Managers of STRATEGIC INTENT, LLC, the Plaintiff named in the above and foregoing complaint. We have read said complaint, know the contents thereof and believe the same to be true.

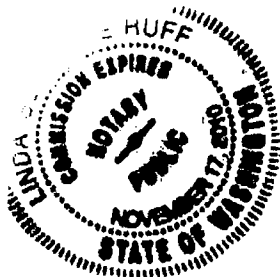
JEFFREY A. GREENE.

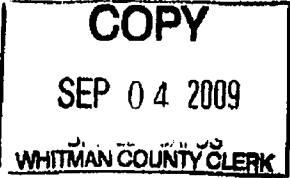
MELINDA L. GREENE

SUBSCRIBED and SWORN to before me by Jeffrey A. Greene and Melinda L. Greene this 27 day of August, 2009.

Linda Schauble-Ruff

Notary Public in and for the State
of Washington residing at Spokane
My commission expires: 11/17/2010





**SUPERIOR COURT OF WASHINGTON
IN AND FOR WHITMAN COUNTY**

STRATEGIC INTENT, LLC, a Washington limited liability
company, d/b/a Palouse Falls Brewing Company,

) Case No.:

JEFFREY A. GREENE and MELINDA L. GREENE, husband and
wife, in their individual capacities, and the marital community
composed thereof,

) AMENDED SUMMONS

Plaintiffs,

v.

STRANGFORD LOUGH BREWING COMPANY LIMITED, a
United Kingdom Corporation for the regions of Home Counties and
Outer London,

ROBERT LITTLE and JANE DOE LITTLE, husband and wife, in
their individual capacities, and the marital community composed
thereof,

ANTHONY DAVIES and TRACEY DAVIES, husband and wife,
in their individual capacities, and the marital community composed
thereof,

MICHAEL STANLEY ROSS and JANE DOE ROSS, husband and
wife, in their individual capacities, and the marital community
composed thereof,

JAMES STEPHENSON and JANE DOE STEPHENSON, husband
and wife, in their individual capacities, and the marital community
composed of thereof, and JAMES STEPHENSON d/b/a
STRANGFORD LOUGH BREWING CO., STRANGFORD
LOUGH BREWING COMPANY INC. and STRANGFORD
LOUGH BREWING COMPANY INC, NORTH AMERICA,

WAYNE STRIPP and JANE DOE STRIPP, husband and wife, and
the marital community composed thereof, and WAYNE STRIPP
d/b/a STRANGFORD LOUGH BREWING CO., STRANGFORD
LOUGH BREWING COMPANY INC. and STRANGFORD
LOUGH BREWING COMPANY INC, NORTH AMERICA

Defendants.

1 TO THE ABOVE NAMED DEFENDANTS AND EACH OF YOU:

2 A lawsuit has been started against you in the above-entitled court by STRATEGIC
3 INTENT, LLC, a Washington limited liability company, d/b/a Palouse Falls Brewing
4 Company. Plaintiff's claims are stated in the written Amended Complaint, a copy of which
5 is served upon you with this Amended Summons.
6

7 In order to defend against this lawsuit, you must respond to the Amended Complaint
8 by stating your defense in writing, and serve a copy upon the person signing this Amended
9 Summons within 20 days after the service of this Amended Summons, or within 60 days if
10 this Amended Summons was served outside the State of Washington, or a default judgment
11 may be entered against you without notice. A default judgment is one where Plaintiff is
12 entitled to what they asked for because you have not responded. If you serve a notice of
13 appearance on the undersigned person, you are entitled to notice before a default judgment
14 may be entered.
15

16 You may demand that the Plaintiff file this lawsuit with the Court. If you do so, the
17 demand must be in writing and must be served upon the person signing this Amended
18 Summons. Within 14 days after you serve the demand, the Plaintiff must file this lawsuit
19 with the Court, or the service on you of this Amended Summons and Amended Complaint
20 will be void.
21

22 If you wish to seek the advice of an attorney in this matter, you should do so promptly
23 so that your written response, if any, may be served on time.
24

25 This Amended Summons is issued pursuant to Rule 4 of the Superior Court Civil
26 Rules of the State of Washington and shall supplant, supercede and be in substitution of that
27 Complaint filed in this action dated August 27, 2009.
28
29
30
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32
33
34
35

DATED this 4th day of September, 2009.

AITKEN, SCHAUBLE, PATRICK, NEILL,
RUFF & SHIRLEY

By 

Linda Schauble-Ruff, WSBA No. 14707

Of Attorneys for Plaintiff

P.O. Box 307

Pullman, WA 99163

Telephone Number: (509) 334-3505

FAX Number: (509) 334-5367

**SUPERIOR COURT OF WASHINGTON
IN AND FOR WHITMAN COUNTY**

STRATEGIC INTENT, LLC, a Washington limited liability
company, d/b/a Palouse Falls Brewing Company,

JEFFREY A. GREENE and MELINDA L. GREENE,
husband and wife, in their individual capacities, and the
marital community composed thereof,

Plaintiffs,

v.

STRANGFORD LOUGH BREWING COMPANY
LIMITED, a United Kingdom Corporation for the regions of
Home Counties and Outer London,

ROBERT LITTLE and JANE DOE LITTLE, husband and
wife, in their individual capacities, and the marital
community composed thereof,

ANTHONY DAVIES and TRACEY DAVIES, husband and
wife, in their individual capacities, and the marital
community composed thereof,

MICHAEL STANLEY ROSS and JANE DOE ROSS,
husband and wife, in their individual capacities, and the
marital community composed thereof,

JAMES STEPHENSON and JANE DOE STEPHENSON,
husband and wife, in their individual capacities, and the
marital community composed of thereof, and JAMES
STEPHENSON d/b/a STRANGFORD LOUGH BREWING
CO., STRANGFORD LOUGH BREWING COMPANY
INC. and STRANGFORD LOUGH BREWING COMPANY
INC, NORTH AMERICA,

WAYNE STRIPP and JANE DOE STRIPP, husband and
wife, and the marital community composed thereof, and
WAYNE STRIPP d/b/a STRANGFORD LOUGH
BREWING CO., STRANGFORD LOUGH BREWING
COMPANY INC. and STRANGFORD LOUGH BREWING
COMPANY INC, NORTH AMERICA

Defendants.

Case No.:

AMENDED COMPLAINT

AMENDED COMPLAINT
Page 1

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AMENDED COMPLAINT
Page 2

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PULLMAN, WASHINGTON 99163
(509) 334-3505

1 organizers of STRATEGIC. In its contract dealings with Defendants SLBC NA,
2 STEPHENSON and STRIPP, said Plaintiffs GREENE were negotiating on behalf of
3 themselves, in their individual capacities and as organizers or promoters, and the said
4 limited liability company that was to be formed. Accordingly, the representations of said
5 Defendants SLBC NA, STEPHENSON and STRIPP that were made to the Plaintiffs Greene
6 as promoters should be deemed as having been made to STRATEGIC. The inaccuracy of
7 the representations made by said Defendants have caused great anxiety, stress and mental
8 anguish to the GREENES for which they should be compensated.

9 As used herein, where representations are alleged to have been made to STRATEGIC
10 by SLBC NA, STEPHENSON and STRIPP, such representations were in fact made to
11 Plaintiffs GREENE, but as promoters of a limited liability company that soon came into
12 fruition as STRATEGIC.

13 As further used herein, the term "Plaintiff" standing alone shall refer to
14 STRATEGIC, and the term "Plaintiffs GREENE" shall mean JEFFREY A. GREENE and
15 MELINDA L. GREENE.

16
17 1.3 Corporate Defendant. STRANGFORD LOUGH BREWING COMPANY
18 LIMITED ("SLBC"), is a foreign corporation formed in Great Britain in the regions of Home
19 Counties and Outer London. Its registered office and principal place of business at the time
20 of contracting was located at 22 Shore Road, Killyleagh, Downpatrick, County Down BT30
21 9UE, Northern Ireland, United Kingdom. Upon information and belief, SLBC's present
22 registered office is located in Wales of the United Kingdom at Unit E Llantrisant Business
23 Park, Llantrisant, Rhondda Cynon Taff, Wales, CF728Lf.

24
25 SLBC is purportedly in the business of the manufacturing, supplying and
26 distribution of *Irish* ales and brewing equipment and technology, the development of
27 proprietary business, marketing and sales systems, and the licensing of its proprietary
28 business systems, its¹ Strangford Lough brand, materials and brewing equipment and
29 technology. It is also engaged in the business of selling exclusive licensing, franchise,
30 distribution and manufacturing rights to its craft brand *Irish* ales, proprietary SLBC business
31 systems, brewery production technology, brands, images, trademarks, trade names and logos,
32 pursuant to a license program and package." Such comprehensive business package includes
33
34
35

1 the sale and installation of a fully automated proprietary brewing equipment capable of
2 producing a minimum production capacity of 75,000 liters of SLBC brewed products,
3 ongoing technical assistance in all matters pertaining to the operation of a SLBC
4 microbrewery business, and the sale of SLBC WORT (i.e., the sugary liquid created from the
5 first phase of brewing process) to be used exclusively by such licensed microbrewery in the
6 production of its SLBC craft *Irish* ales.

7 SLBC is not licensed to do business in the state of Washington.

8 1.4 Defendants LITTLE. ROBERT LITTLE, upon information and belief, is, and
9 was at all times material hereto, a married man. The full, true and correct name of ROBERT
10 LITTLE's wife is presently unknown to Plaintiff and for the purposes as set forth herein,
11 shall be referred to herein as "JANE DOE LITTLE." Upon information and belief,
12 Defendants LITTLE reside at 45 Ardigon Road, Killyleagh, County Down, BT30 9TB,
13 Northern Ireland, United Kingdom.
14

15 ROBERT LITTLE is, and was, at all times material hereto, a director, officer
16 and an equity shareholder of SLBC, holding approximately two hundred ninety nine (299)
17 shares of the total one thousand (1,000) shares of the issued and outstanding common stock
18 of the corporation.
19

20 1.5 Defendants DAVIES. ANTHONY DAVIES, upon information and belief, is,
21 and was at all times material hereto, married to TRACEY DAVIES. Upon information and
22 belief, ANTHONY DAVIES and TRACEY DAVIES reside at 22 Shore Road, Killyleagh,
23 County Down, BT30 9UE, Northern Ireland, United Kingdom.
24

25 ANTHONY DAVIES is, and was, at all times material hereto, a director,
26 officer and equity shareholder of SLBC, holding approximately six hundred ninety nine
27 (699) shares of the total one thousand (1,000) shares of the issued and outstanding common
28 stock of the corporation. As further consideration for the performance of Plaintiff pursuant
29 to the contract at issue herein, Defendant

30 1.6 Defendant ROSS. MICHAEL ROBERT ROSS, upon information and belief,
31 is, and was at all times material hereto, a married man. The full, true and correct name of
32 MICHAEL ROBERT ROSS's wife is presently unknown to Plaintiff and for the purposes as
33 set forth herein, shall be referred to herein as "JANE DOE ROSS." Upon information and
34

1 belief, MICHAEL ROBERT ROSS resides at 24 Osborne Road, Tweedmouth, Berwick-
2 Upon-Tweed TD15 2HS, England.

3 MICHAEL ROBERT ROSS is, and was, at all times material hereto, an
4 equity shareholder of SLBC, holding approximately two (2) shares of the total one thousand
5 (1,000) shares of the issued and outstanding common stock of the corporation.

6 1.7 Defendants STEPHENSON, STRIPP and SLBC NA. JAMES
7 STEPHENSON and WAYNE STRIPP, in their individual capacities and doing business as
8 "STRANGFORD LOUGH BREWING CO.," "STRANGFORD LOUGH BREWING
9 COMPANY NORTH AMERICA," "STRANGFORD LOUGH BREWING COMPANY,"
10 "STRANGFORD LOUGH BREWING COMPANY INC, NORTH AMERICA," and
11 "STRANGFORD LOUGH BREWING COMPANY, INC. NORTH AMERICA," were the
12 sole owners and operators of the above-named enterprises (all said enterprises are
13 collectively referred to herein as "SLBC NA"), headquartered in Vancouver, British
14 Columbia, Canada. All said entities above referenced in this paragraph 1.7 herein are
15 believed to be one and the same. Upon information and belief, at all material times hereto,
16 said individual Defendants are, and have been married, and their spouse's names are
17 unknown. For the purposes as set forth herein, Defendant JAMES STEPHENSON's wife
18 shall be referred to herein as "JANE DOE STEPHENSON," and together Defendant JAMES
19 STEPHENSON and JANE DOE STEPHENSON shall be referred to herein as "Defendants
20 STEPHENSON." Defendant WAYNE STRIPP'S wife shall be referred to herein as "JANE
21 DOE STRIPP," and together Defendant WAYNE STRIPP and JANE DOE STRIPP shall be
22 referred to herein as "Defendants STRIPP." The current residence addresses of said
23 Defendants are unknown, but upon information and belief, said Defendant STEPHENSON
24 and Defendant STRIPP are residents of British Columbia, Canada.

25 To Plaintiff's knowledge, SLBC NA has at no time never registered or
26 licensed its business with any regulatory authority of any state, province or country. Prior to
27 the contract at issue herein, SLBC NA was acquired by SLBC. Upon information and belief,
28 at some pint prior to the contract at issue herein, SLBC NA, some or all of its assets, were
29 acquired by SLBC, and SLBC NA no longer has a separate existence from that of SLBC.

II.

JURISDICTION/VENUE

2.1 Pursuant to Washington's Long-Arm statute, RCW 4.28.185, Defendants pursued purposeful acts and business within the State of Washington, including the transactions of business in this State, and the commission of tortious acts in this State.

2.2 The State of Washington is the only jurisdiction that has the most significant relationship with the causes of action in this case. The contacts with the State of Washington include the following:

- a) All said Defendants actively targeted, advertised, pursued and solicited the business of United States citizens, including residents residence from the State of Washington and Plaintiff herein;
- b) The offers, acceptance of offers and substantial bulk of the contract negotiations occurred via e-mail, postal service or by phone, at Plaintiff's principal place of business in Washington;
- c) Defendant's misrepresentations of material facts, and deceptive and unfair trade practices as further set forth hereinbelow occurred in the State of Washington;
- d) The place of performance of the contract was in the State of Washington;
- e) The personal property in dispute is located in the State of Washington;
- f) The franchise business in dispute is located in the State of Washington; and
- g) The place of the delivery of goods was in the State of Washington;
- h) The place where the subject matter of the contract is located is in the State of Washington;
- i) The territory to which the licensing and franchise rights where to be located included the State of Washington; and
- j) The domicile, residence, nationality, place of incorporation and place of business of the Plaintiff is located in the State of Washington;

2.3 The causes of action as set forth herein are connected with, and arise from, such acts and transactions as set forth hereinabove.

2.4 All said Defendants have submitted themselves to the jurisdiction of the Washington courts, by virtue of Washington's Franchise Investment Protection Act, RCW 19.100 et.seq. and Washington's Consumer Protection Act, RCW 19.86.

2.5 With respect to Defendants SLBC, LITTLE and DAVIES, The contract at issue herein provides that should the Plaintiff pursue a cause of action against SLBC, the

1 licensor, venue and jurisdiction shall be in Whitman County, Washington and the choice of
2 law shall be United States laws.

3 2.6 There is no other jurisdiction that has any greater commonality of the parties'
4 places of business and respective residences, and places of performance. At all times
5 material hereto, Plaintiff solely did business in the State of Washington. SLBC engages in
6 business internationally, throughout the United Kingdom, Europe and the North American
7 Continent. Both SLBC and SLBC NA actively targeted the business of U.S. citizens and
8 were offering for sale exclusive licenses and franchises for the State of Washington territory.
9 Upon information and belief, Defendant SLBC no longer has its principal place of business
10 located in Northern Ireland. As noted herein, upon information and belief, SLBC's principal
11 place of business is now the country of Wales, and SLBC NA has merged into SLBC.

12 2.7 Considering the quality, nature and extent of the activity in the State of
13 Washington, the relative convenience of the parties, the benefits and protection of the laws of
14 the forum state, and the basic equities dictate that the State of Washington exercise
15 jurisdiction over all the Defendants hereto.

16 2.8 The contract entered into between SLBC and STRATEGIC provides for
17 arbitration in the jurisdiction of the party requesting arbitration. Due to the particular nature
18 of the claims in the instant case, the available remedies in equity and in law, and the differing
19 parties in interest herein, arbitration of the instant disputes is not appropriate. SLBC NA,
20 STEPHENSON, and STRIPP are not parties to the contract at issue herein, and the
21 arbitration provision does not apply to said Defendants. As further set forth hereinbelow,
22 there is joint and several liability amongst all said Defendants, and the remedies requested
23 include rescission. Further, the nature of Plaintiff's claims extend beyond the contract issues
24 and include claims in tort and violations under Washington's Franchise Protection Act and
25 Consumer Protection Act.

26 2.9 This court has jurisdiction over the parties and of the subject matter of this
27 action. The laws of the State of Washington apply.

III.

PIERCING THE CORPORATE VEIL

3.1 Upon information and belief, at all times material hereto, Defendant ROBERT LITTLE, ANTHONY DAVIES and MICHAEL ROBERT ROSS were the sole equity shareholders of SLBC.

3.2 Throughout its dealings with Plaintiff, and continuing to the present day, SLBC has disregarded its corporate form, and said shareholders of SLBC intentionally misused, controlled and manipulated said corporate form to accomplish fraud on their behalf and at the expense of Plaintiff. SLBC was, is and has to continued to be, used to promote fraud and illegality.

3.3 Upon information and belief, SLBC is undercapitalized. Defendants LITTLE and DAVIES' improper conduct has resulted in Plaintiff's likely inability to obtain an adequate remedy from SLBC.

3.4 Disregarding SLBC's corporate veil would promote an injustice and is necessary and required to prevent an unjustified loss to the Plaintiff.

IV.

BACKGROUND/OPERATIVE FACTS

4.1 Plaintiff realleges paragraphs 1.1 through 3.4 hereinabove.

4.2 As previously referenced herein, SLBC is principally engaged in the business of manufacturing, distributing, licensing and franchising its SLBC brand craft ales. , said ales purporting to be Irish ales. It owns all license, franchise, trademark and distribution rights world-wide to the Strangford Lough craft ales known as "St. Patrick's Best," "St. Patrick's Ale," "St. Patrick's Gold," "Legbiter," and "Barelegs Brew." Said beers and ales were named after historical *Irish* figures.

4.3 Prior to November, 2008, SLBC sold its said licensing, franchise, trademark, and distribution rights covering the North American territories to SLBC NA, believed to be a general partnership located in British Columbia, with its main headquarters located in Vancouver. SLBC NA held itself out to the general public, and to Plaintiff in particular, as the North American branch office of SLBC.

1 4.4. Upon acquiring the licensing and franchise rights from SLBC for the North
2 America territories, it is believed that SLBC NA, in consult and coordination with SLBC, put
3 together a business prospectus and a sales and marketing scheme, detailing the specifics of
4 the licensing package to be offered to potential licensees. As further set forth hereinbelow,
5 said business prospectus also included promotional material pertaining to the strong Irish
6 origins and traditions of SLBC's trademark ale. The business prospectus further detailed the
7 rich Irish history of the situs of SLBC's base operations, which said business situs was
8 located in a place in Ireland that was strongly associated with St. Patrick, the patron Saint
9 who brought Christianity to Ireland.

10 4.5 Once SLBC NA secured the licensing and franchise rights as set forth
11 hereinabove, it actively solicited potential licensees in the United States to compete for the
12 exclusive franchise territories. SLBC knew at the time that SLBC NA was soliciting its
13 customer base, that SLBC NA was using a name for its operations that was almost identical
14 to SLBC's name, and that SLBC NA was representing to the public that it was the North
15 American branch office for SLBC.

16 4.6 As a part of its solicitation efforts, SLBC NA published, on the world-wide
17 internet and other postings, a Licensee Brochure Presentation Transcript, summarizing the
18 licensing package that was being offered for sale. SLBC NA, STEPHENSON and STRIPP
19 knew or should have known that said publication would be received by persons and entities
20 within the State of Washington. Upon information and belief, SLBC participated in the
21 preparation of such licensee brochure. This brochure made specific references to a presently
22 operational WORT processing plant located in Ireland from which Strangford Lough shipped
23 authentically processed WORT directly from Ireland to licensee's brewery, which the
24 licensee then processed into Strangford Lough's *Irish* beer brands.

25 4.7 In approximately September, 2008, SLBC NA Plaintiff responded to SLBC's
26 web site posting of openings for potential licensees of SLBC products. In the days and weeks
27 that followed, SLBC NA and Plaintiff communicated regarding the various details for the
28 start-up of such a franchise business and microbrewery in the State of Washington.

29 4.8 Ultimately, at the invitation of SLBC NA, Plaintiff attended on October 7,
30 2008, a business opportunity synopsis meeting conducted by JOHN STEPHENSON,
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1 WAYNE STRIPP and SLBC NA that was held in Vancouver, British Columbia. The
2 invitation to attend this meeting was extended to Plaintiff within the State of Washington.

3 4.9 At the said business opportunity synopsis meeting referenced in the preceding
4 paragraph, various oral and written statements were provided to Plaintiff regarding the *Irish*
5 origins and traditions of the craft *Irish* ale for which the licensing, franchise, manufacturing
6 and distribution rights were being offered. A written business prospectus was provided to
7 the Plaintiff at said meeting. Upon information and belief, SLBC prepared, or assisted in the
8 preparation of, said written business prospectus.

9 In the prospectus delivered to Plaintiff at the meeting, there were more than
10 twenty references to the *Irish* origins and traditions of the SLBC's trademark craft ale and
11 SLBC's base of operations. The prospectus represented that SLBC's business operations
12 were located in a place that was strongly associated with St. Patrick, the patron saint who
13 brought Christianity to *Ireland*. It further made reference to a fully operational SLBC
14 WORT processing plant located in Ireland, equipped to make necessary shipments of
15 authentically produced *Irish* WORT, crafted from *Irish* recipes and *Irish* ingredients,
16 including "shamrock." The various representations as to the *Irish* origins of SLBC's beer
17 and its base operations are more fully set forth in Article VI hereinbelow.

18 4.10 In approximately November, 2008, SLBC re-acquired all rights it originally
19 sold to SLBC NA, and merged its business operations with SLBC's main headquarters in
20 Killyleagh, County Down, Northern Ireland, United Kingdom. Part of the proprietary assets
21 it received in the transaction, included SLBC NA's business promotional material, including
22 the above business prospectus provided to Plaintiff, and SLBC NA's business concepts and
23 marketing strategies. Plaintiff was informed that nothing had changed as a result of the
24 change in the organization of SLBC and SLBC NA. In fact, SLBC continued to use, and still
25 continues to use, an almost identical business prospectus as that used by SLBC NA in its
26 initial dealings with Plaintiff. Further, to Plaintiff's knowledge, the Licensee Brochure
27 Presentation Transcript is one and the same as the Licensee Brochure Presentation Transcript
28 referenced in paragraph 4.6 hereinabove and to which Plaintiff originally responded in its
29 initial dealings with SLBC NA.
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1 4.11 At such time as SLBC acquired the business and assets of SLBC NA, or at
2 such earlier time while SLBC and SLBC NA were still a part of the joint franchise
3 arrangement, SLBC was using, interchangeably with its own corporate name,
4 STRANGFORD LOUGH BREWING COMPANY LIMITED, SLBC NA's business name,
5 "STRANGFORD LOUGH BREWING CO."

6 4.12 SLBC ratified and adopted all, or nearly all, of the representations that SLBC
7 NA had made to Plaintiff as set forth hereinabove, or otherwise remained silent as to the
8 accuracy of the representations when questioned by Plaintiff.

9 4.13 Throughout the process of the contract negotiations, SLBC continued to
10 emphasize the *Irish* origins and traditions of its WORT production facility. SLBC stressed
11 to Plaintiff that the *Irish* connection was a material factor in differentiating their product
12 from other non-*Irish* microbrews, as there were an overwhelming amount of Irish
13 descendants living in America who strongly preferred *Irish* ales. SLBC further stressed the
14 increased profitability that would be achieved in Plaintiff's microbrewery business, due to its
15 ability to provide, at reduced costs, its own advanced WORT supply.

16 4.14 On many occasions, Plaintiff conveyed to SLBC the paramount significance
17 of this *Irish* connection. SLBC assured Plaintiff that all of the ingredients used to make the
18 advanced WORT, except the water, were grown and produced in Ireland. Plaintiff had many
19 questions regarding the WORT processing plant in Ireland. Defendant deflected inquiries
20 and failed to directly answer these inquiries. At one point when Plaintiff suggested that it be
21 accorded a tour of the WORT processing plant in Ireland, Plaintiff was encouraged, instead,
22 to visit SLBC in New York City where SLBC could arrange for another tasting of SLBC
23 brand ales. At no time did SLBC advise Plaintiff that, in actuality, there was no such
24 functioning SLBC WORT plant located in Ireland or elsewhere.

25 4.15 On or about November 24, 2008, SLBC and Plaintiff entered into an
26 Exclusive Microbrewery License, Equipment, and Wort Supply Agreement. Pursuant to the
27 terms of said contract, SLBC was to provide to Plaintiff at the cost of \$330,000.00 all the
28 brewery equipment necessary in order to implement a fully operational Microbrewery with a
29 monthly minimum production capacity of 75,000 liters of SLBC brewed products. Said
30 equipment was to be ready for shipment to Plaintiff's place of business on or before January
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1 9, 2009. Within fourteen (14) days after the arrival of the equipment, SLBC was to have
2 fully operational and commissioned Microbrewery. The first batch of product was to be
3 brewed, bottled and kegged under SLBC supervision not later than twenty-one (21) days
4 after delivery of the said brewery equipment to Plaintiff.

5 4.16 In addition, the contract provided for licensing rights to use all propriety
6 SLBC systems, equipment and technology, brands, and trademarks, all of which would be
7 supplied to Plaintiff by SLBC for its use in the exclusive territories of Washington,
8 California, Idaho and Oregon. The contract further provided for exclusive manufacturing
9 rights of SLBC products in the state of Washington, and exclusive distribution rights in
10 Washington, California, Idaho and Oregon. Plaintiff was accorded first rights of refusal to
11 said licensing, manufacturing rights to other territories. Said license term was to commence
12 on March 1, 2009. In consideration of said licensing rights, Plaintiff agreed to pay the sum
13 of \$50,000.00 for the first annual term, and \$18,000.00 for each annual term thereafter.

14 4.17 On the date of the execution of the contract, and in accordance therewith,
15 Plaintiff wired money to SLBC in the amount of \$50,000.00 for the license fee and
16 \$82,500.00 for the first equipment installment payment.

17 4.18 On or about December 23, 2008, SLBC confirmed that all of the equipment
18 that was to be delivered under the contract had been inspected and was in satisfactory
19 condition. As such, and pursuant to the contract, Plaintiff immediately wired money to
20 SLBC in the amount of \$165,000.00, representing the second of the three equipment
21 installment payments that were required under the contract.

22 4.19 During the period of January 18, 2009 through approximately April 9, 2009,
23 the substantial majority of the brewing equipment was delivered to Plaintiff's microbrewery.
24 On approximately April 30, 2009, SLBC commenced the equipment installation.

25 4.20 In the months that followed, there were numerous equipment failures. Most
26 of the equipment defects did not come to light until months later when SLBC attempted to
27 commission the same. Some of the equipment that was delivered did not conform to the
28 terms of the contract. For instance, a used bottle capping machine of a different brand than
29 what was represented to Plaintiff was supplied to Plaintiff and it was faulty. A twenty-four
30 spout bottler rinser was specified under the contract and a four spout bottle rinser had been
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1 supplied. There were significant problems with the cooling jacket insulation and the glycol
2 chiller compressor that significantly compromised the quality of the brewed products.
3 Attempts were made to fix these problems but they still remain unresolved. There were
4 numerous items of equipment that were required to be provided in order to efficiently
5 operate the microbrewery which were not provided and continue to remain unprovided. All
6 of said delays, equipment failures, equipment procurement issues and non-conforming items
7 caused Plaintiff considerable delays, loss of productivity and profits, and damage to
8 Plaintiff's sample brews, brewing inventory and supplies. These problems and issues
9 continue to remain to the present date.

10
11 4.21 The contract provided that SLBC was to provide Plaintiff with SLBC's own
12 ADVANCED WORT shipped directly from Ireland to Plaintiff's place of business no later
13 than February 1, 2009, provided that Plaintiff's initial order of WORT was to be received by
14 SLBC no later than December 20, 2008. On or about May 20, 2009, Plaintiff received from
15 SLBC the initial malt extract used in the production of WORT. This was only a small
16 sampling of that which had been ordered in January, 2009, and said WORT was not in
17 conformity with the contract requirements. The malt extract was not produced by SLBC. In
18 fact, it was produced by an independent malt manufacturer in Scotland using said malt
19 manufacturer's own recipes and ingredients. None of the ingredients were of *Irish* origin.
20 The WORT was not ADVANCED WORT as contracted. The WORT could not replicate the
21 authenticity of the *Irish* recipe, and the WORT, as brewed, could not and did not replicate
22 SLBC's craft ales. As the WORT supply is not manufactured in-house by SLBC, the cost of
23 the malt extract supplied is greater than represented by SLBC.

24
25 4.22 Throughout SLBC's attempts at performance under the contract at issue
26 herein, Defendant repeatedly represented to Plaintiff that its WORT processing plant would
27 be fully operational in the very near future. Plaintiff relied on these representations in going
28 forward with the contract. As a part of the bottle labeling process, SLBC's counsel worked
29 with SLBC and Plaintiff in order to design uniform labels for all SLBC brand brews.
30 Throughout this process, SLBC insisted that the labels carry appropriate references to the
31 *Irish* origins of the beer, and the *Irish* ingredients used to make the beer. After an
32 approximate three month period, the Alcohol & Tobacco and Trade Bureau of the Federal
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1 Government approved the SLBC brand labels that made reference to the beer having been
2 "crafted in Ireland" from ingredients "imported" from Ireland. ..

3 4.23 Unless or until SLBC has a fully functioning and operational WORT
4 processing plant in Ireland and the ingredients used to produce such WORT originate from
5 Ireland, the said SLBC brand labels referenced in the preceding paragraph are inaccurate and
6 misleading and cannot be used. Plaintiff is not permitted to use labels that SLBC does not
7 approve, and the SLBC labels are required to be uniform. Until such time as this issue has
8 been corrected, Plaintiff is unable to market any SLBC beer that may be brewed at its
9 facility, thereby causing further delay and damage to Plaintiff's business.

10 4.24 As a result of said failures of performance on the part of SLBC, Plaintiff has
11 incurred, and continues to incur, substantial out-of-pocket expenses. SLBC agreed to
12 promptly reimburse Plaintiff for the same, but despite said promises, said amounts remain
13 unpaid and continue to remain outstanding.

14 4.25 Plaintiff has previously presented and delivered in the manner required by law
15 a written Notification/Cure Letter to Defendant. The delivery of said Notification/Cure
16 Letter was also in accordance with the Notice provisions of the contract. Many of the
17 defaults specified in said letter have not been corrected. SLBC has indicated to Plaintiff that
18 some of the defaults cannot be corrected, it has no intention of correcting others, some
19 defaults Plaintiff will have to work around, and some of the defaults may be remedied in the
20 future but with no clear indication as to how and when.

21 4.26 Over thirty (30) days have elapsed since the time of the delivery of said
22 Notification/Cure letter and it is proper to maintain this action.

23 4.27 Plaintiff has now been advised by Defendant that the SLBC labels shall now
24 also be affixed to the neck of the beer bottles and additional changes need to be made to the
25 main body label. The bottle labeling equipment supplied by SLBC to Plaintiff is not capable
26 of applying neck labels to the bottles

27 4.28 Since SLBC has received the Notification/Cure letter noted above, SLBC has
28 offered to independent brewers in the United States the opportunities to manufacture and
29 distribute SLBC ales in various other territories that are not included in Plaintiff's licensing
30 agreement. These territories are included as a part of Plaintiff's first refusal rights as further
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1 set forth in paragraph 4.15 hereinabove. SLBC has not received Plaintiff's consent to make
2 these offers, and Plaintiff has not been accorded the opportunity to assert its first refusal
3 rights regarding these offers.

4 4.29 Plaintiff's microbrewery continues to remain in a state of disrepair and is not
5 capable of production. Even under SLBC's direct supervision, the test brews do not
6 resemble the SLBC brands. The product brewed from this WORT is not and cannot be
7 *Irish*.

8
9 V.

10 **SLBC IS A SUCCESSOR IN INTEREST TO SLBC NA AND IS BOUND BY THE**
11 **ACTS, CONDUCT AND REPRESENTATIONS OF SLBC NA/JOINT AND**
12 **SEVERAL LIABILITY**
13

14 5.1. Plaintiff realleges paragraphs 1.1 through 4.29 hereinabove.

15 5.2 "Strangford Lough Brewing Company Limited" and "Strangford Lough
16 Brewing Co." are engaged in the same business enterprise and the names are deceptively
17 similar. SLBC was aware that SLBC NA was claiming to be the North American office of
18 SLBC, and SLBC used the name of SLBC NA in its business dealings with licensees.

19 5.3 SLBC acquired all rights to the property and assets of SLBC NA and has
20 merged its operations as a part of its own operations.

21 5.4 SLBC was aware of the false and misleading representations SLBC NA made
22 to Plaintiff during the contract negotiations, and in fact acquired the business prospectus and
23 promotional material from SLBC NA that SLBC NA used as a part of its solicitation efforts
24 towards Plaintiff. It has since used said materials in its own business dealings with potential
25 licensees, and has accepted, confirmed and ratified said false and misleading representations.

26 5.5 SLBC was a willing participant in a scheme or artifice that was designed to
27 deceive Plaintiff and others, and knew that Plaintiff believed the truth and accuracy of said
28 representations that were made as an inducement to enter into the contract. Plaintiff was
29 entitled to rely on said representations and did so rely.

30 5.6 SLBC is a successor-in-interest to SLBC NA and is bound by the
31 representations made by its said predecessor-in-interest.
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5.7 All said Defendants as set forth herein either acted in concert to harm the Plaintiff, or acted independently of each other but caused indivisible harm by their tortious conduct; therefore, each said Defendant is jointly and severally liable for all damages sustained by Plaintiff.

VI.

CAUSE OF ACTION AGAINST DEFENDANTS STEPHENSON, STRIPP AND SLBC NA, FOR FRAUD/NEGLIGENT MISREPRESENTATION

6.1 Plaintiff realleges paragraphs 1.11 through 5.7 hereinabove.

6.2 During the approximate period of late September, 2008, through approximately October 20, 2008, JAMES STEPHENSON and WAYNE STRIPP, in their individual capacities and doing business for SLBC NA, owned all licensing, franchise, marketing, manufacturing and distribution rights to SLBC'S brand ale, proprietary business systems and trademarks and logos in the North American territories. In an effort to secure Plaintiff as a potential licensee for the territories of Washington, California, Idaho and Oregon, said parties intentionally or negligently made a series of repeated verbal and written material misrepresentations of fact, under circumstances which entitled Plaintiff to rely thereon and upon which Plaintiff did, in fact, rely upon its contract negotiations with SLBC NA and its subsequent agreement to enter into said licensing agreement with SLBC.

6.3 The material misstatement of facts as set forth hereinabove included the following representations:

- a) SLBC NA was the North American branch office of SLBC;
- b) SLBC had a true and legitimate business presence located in Killyleagh, County Down, Northern Ireland;
- c) SLBC, had a fully operational WORT processing facility located in Killyleagh, County Down, Northern Ireland;
- d) SLBC'S WORT processing plant was capable of shipping, directly from Ireland, the necessary WORT supply to Plaintiff;
- e) SLBC directly manufactured and brewed, from its own facilities located in Ireland, and under SLBC's direct supervision and control, the SLBC brand craft ale;
- f) The recipes for SLBC craft ales came from traditional and time honored *Irish* recipes, which recipes stemmed back some one thousand (1,000) years ago;

- 1 g) That the ingredients that were used to make the WORT, including the
2 "shamrock," was grown and produced locally in Ireland;
3 h) The WORT that would be supplied to Plaintiff would be authentically
4 produced in Ireland and directly shipped from SLBC's own processing
5 plant in Ireland;

6 6.4. Said Defendants had a duty of care to Plaintiff to accurately represent the
7 material elements of the contemplated transaction and the comprehensive business, licensing
8 and franchise or sub-franchise package it was offering for sale.

9 6.5 The representations were material to Plaintiff's contract negotiations and its
10 ultimate decision to enter into the subject contract with SLBC. All said representations as set
11 forth hereinabove were false. Said Defendants knew or should have known that the
12 representations as set forth herein were false, or that they were ignorant of the truth of said
13 representations, and they intended that Plaintiff would act upon said representations in
14 reliance thereon. Plaintiff was not aware, at any time material hereto, that said
15 representations were false, and it relied on the truth of the representations made. Plaintiff
16 would not have entered into the contract at issue herein had it known that said
17 representations were not true. Plaintiff had a right to rely on the stated representations and
18 suffered consequent damage as a result thereof.

19 6.6 As a proximate result of said intentional or negligent misrepresentations as set
20 forth hereinabove, and the breaches of said Defendants' duty to Plaintiff herein, Plaintiff
21 entered into the contract at issue herein under false pretenses and suffered the said damages
22 as a result thereof as more particularly set forth in Article XIII hereinbelow.

23 VII.

24 CAUSE OF ACTION AGAINST SLBC, DEFENDANTS LITTLE AND DAVIES FOR 25 FRAUD/NEGLIGENT MATERIAL MISREPRESENTATIONS IN THE 26 INDUCEMENT OF THE CONTRACT

27 7.1 Plaintiff realleges paragraphs 1.1 through 6.6 hereinabove.

28 7.2 SLBC knew or should have been aware of the material misrepresentations of
29 fact as more specifically set forth in Article VI hereinabove that were repeatedly
30 communicated to Plaintiff in written and oral form throughout the contract negotiations. It
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1 continued to use, and still continues to use, the promotional literature, business prospectus,
2 business concepts and licensee brochure presentation transcripts of SLBC NA under its own
3 copyright and name and at no time, until recently, did it attempt to distance itself from said
4 representations or correct the misinformation provided to Plaintiff.

5 7.3 Defendants SLBC, ROBERT LITTLE and ANTHONY DAVIES, in addition
6 to those representations as set forth in the business prospectus and Licensee Brochure
7 Presentation Transcript as set forth herein, on repeated occasions and prior to contracting,
8 directly stated or purposely led Plaintiff to believe by their statements or silence that certain
9 misrepresentations of material fact were true. Said material misrepresentations include the
10 following:
11

- 12 a) SLBC, had a fully operational WORT processing facility and brewery
13 located in Ireland;
- 14 b) SLBC'S WORT processing plant was capable of immediately
15 shipping, directly from Ireland, the necessary WORT supply to
16 Plaintiff;
- 17 c) SLBC directly manufactured and brewed, from its own facilities
18 located in Ireland, and under its direct supervision and control, SLBC
19 brand craft ale;
- 20 d) The sample beer under the SLBC brands Plaintiff tasted prior to
21 contracting, and for which it was to replicate, were directly brewed by
22 SLBC from its own facilities located in Ireland;
- 23 e) The recipes for SLBC craft ales came from traditional and time
24 honored *Irish* recipes that SLBC owned;
- 25 f) That all the ingredients that were used to make the WORT, except the
26 water, was grown and produced locally in Ireland;
- 27 g) The WORT that would be supplied to Plaintiff would be authentically
28 produced in Ireland and directly shipped from SLBC's own processing
29 plant in Ireland;
- 30 h) The SLBC WORT used to make SLBC brand craft *Irish* ales came
31 from a consistent source and recipe;
- 32 i) The WORT to be supplied to Plaintiff as a part of the contract would
33 come from the same recipe and WORT supply as used to make all
34 other SLBC brands, including the sample ales Plaintiff had tasted prior
35 to contracting;
- 36 j) The WORT to be supplied to Plaintiff as a part of the contract would
come from SLBC's own processing plant in Ireland from the local
Irish ingredients noted above, using traditional and time-honored *Irish*
recipes and *Irish* brewing traditions directly supervised by SLBC;

- 1 k) The beers that Plaintiff would produce would be of the same color,
2 consistency, taste, and quality of the SLBC ales purportedly brewed in
3 Ireland by SLBC;
4 l) Plaintiff's microbrewery equipment would be delivered and fully
5 operational within two months from contracting;
6 m) Plaintiff's microbrewery would be fully operational and capable of
7 brewing a monthly minimum production capacity of 75,000 liters of
8 SLBC brewed products within three months from the date of
9 contracting.

10 7.4 The representations made by SLBC, ROBERT LITTLE and ANTHONY
11 DAVIES to Plaintiff as set forth in paragraph 7.3 hereinabove were material to Plaintiff's
12 decision to enter into the subject contract with SLBC and they were all false. Said
13 Defendants knew or should have known that the representations as set forth herein were
14 false, and they intended that Plaintiff would act upon said representations. Plaintiff was not
15 aware at the time of contracting that said representations were false, and it relied on the truth
16 of the representations made. Plaintiff would not have entered into the contract at issue herein
17 had it known that said representations were not true. Plaintiff had a right to rely on the stated
18 representations and suffered consequent damages as a result thereof.

19 7.5 In its business negotiations with Plaintiff, said Defendants had a duty to
20 Plaintiff to provide accurate and reliable information to Plaintiff from which it could make a
21 reasonable informed decision as to the merits and risks of the instant contract. Defendant
22 breached its said duty to Plaintiff, and as a proximate cause thereof, Plaintiff has been
23 damaged as further set forth in Article XIII hereinbelow.

24 7.6 Further, as a result of said fraud in the inducement of the contract, Plaintiff is
25 entitled to an election of remedies for rescission of the contract, abatement of the purchase
26 price, or damages equal to the difference between the actual value of the performance that
27 was received by Plaintiff and the value of the performance promised.

28 VIII

29 UNILATERAL MISTAKE

30 8.1. Plaintiff realleges paragraph 1.1 through 7.6 hereinabove.

1 8.2 At the time of contracting, Plaintiff was mistaken as to material elements of
2 the contract. Plaintiff believed that SLBC had a currently operational WORT processing
3 plant and brewery located in Ireland from which it manufactured authentic *Irish* ales and
4 WORT products, using *Irish* ingredients using and traditional and time-honored *Irish* recipes
5 and *Irish* brewing traditions directly supervised by SLBC. It further believed that the *Irish*
6 recipes to which SLBC made claim to were owned by SLBC and could be replicated by
7 Plaintiff on the basis of the SLBC WORT supplied to Plaintiff. It believed that the beer that
8 it contracted to replicate came from such recipe, and that there was a consistency in taste and
9 quality amongst all SLBC brand ales. It further believed that SLBC could provide the
10 necessary WORT to produce a minimum of 75,000 liters of SLBC beer on a monthly basis,
11 and that microbrewery would be fully operational and manufacturing SLBC beer within three
12 months from the date of contracting, coincident with when the licensing term period was to
13 commence.

14
15 8.3. The true facts, however, were that SLBC at no time prior, and at no time since
16 contracting, had its own WORT processing plant located in Ireland or elsewhere. In fact, it
17 had limited business presence in Ireland, if at all. SLBC had not, and to this date never has,
18 independently brewed its own beers. The sample beers to which Plaintiff tested were in fact
19 contract-brewed from a Scottish or English brewery with ingredients that came from many
20 places other than Ireland. The SLBC recipe was not authentic. --It was remotely replicated
21 from other popular *Irish* beer brands and could not be replicated by SLBC without the same
22 ingredients, recipes and malt. SLBC, ROBERT LITTLE and ANTHONY DAVIES knew
23 that any WORT to be supplied would be resourced from independent malt manufacturers
24 outside Ireland, using said malt manufacturer's own ingredients and recipes. SLBC,
25 ROBERT LITTLE and ANTHONY DAVIES knew that there was no SLBC WORT
26 processing plant capable of filling the Plaintiff's orders. In essence, the SLBC ales were not,
27 in any sense, of *Irish* origin and could not be replicated by Plaintiff even under SLBC's
28 direct supervision.

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31 8.4 Plaintiff's mistaken beliefs were well known to SLBC and were, in fact
32 perpetrated by SLBC, ROBERT LITTLE and ANTHONY DAVIES, but said Defendants
33 failed to disclose to Plaintiff that the same were not true.
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8.6 A rescission of the contract is an appropriate remedy to avoid a substantial detriment to Plaintiff and it works no substantial hardship to said Defendants.

IX.
CAUSE OF ACTION AGAINST ALL DEFENDANTS FOR VIOLATION OF
FRANCHISE PROTECTION ACT BREACH OF CONTRACT/ UNIFORM
COMMERCIAL CODE

9.2 The licencing contract at issue herein initially offered to Plaintiff by Defendants SLBC NA, JAMES STEPHENSON and WAYNE STRIPP, and ultimately entered into between Plaintiff and SLBC, pertained to the distribution of goods under a marketing plan prescribed or suggested in substantial part by SLBC. Said marketing plan included marketing strategies, access to SLBC marketing materials, volume buying power, profit and productivity information, and proven sales information. The licensing package also included access to advice, consultation and technical assistance pertaining to required uniform trademark labeling requirements, promotional materials, the operation and management of a microbrewery. The licensing program pertained to exclusive locations and labels, brand name recognition and trademark protection, tested marketing techniques, pre-established customer bases, assistance in a fast-tracked process for federal and state licensing and permits. It also included a pre-sale portion of beer production from SLBC's list of contacts.

9.4. Plaintiff paid, and was required to pay, a franchise fee in a lump sum for each year of the franchise. For an additional sum and under other terms and conditions, Plaintiff

1 was given a first right of refusal for licensing and franchise rights for the territories of
2 California, Idaho and Oregon.

3 9.5 The transactions as set forth herein were not isolated transactions, as said
4 Defendants were engaged in the business of selling licensing and franchise rights.

5 9.6 The transactions as set forth herein constitute sales or offers to sell a franchise
6 or subfranchise in the State of Washington and are governed by Washington's Franchise
7 Protection Act, RCW 19.100 et.seq. Pursuant to said Act, SLBC is a "Franchisor" and SLBC
8 NA was a "SubFranchisor."

9 9.7 No said Defendant named herein at any times material hereto properly
10 registered their offers with the State of Washington.

11 9.8 All said Defendants herein in connection with the offer or sale of said
12 franchise or sub-franchise, as the case may be, performed the following acts constituting
13 misrepresentations under the Franchise Protection Act:

- 14
- 15 a) Made, by way of written and oral communications, untrue statements
16 of material facts, and omitted to state material facts necessary in order
17 to make the statements that were made, in light of the circumstances
18 under which they were made, not misleading;
 - 19 b) Employed a scheme or artifice to defraud the Plaintiff; and
 - 20 c) Engaged in an act, practice, or course of business which operated or
21 would operate as a fraud or deceit upon the Plaintiff.

22 9.9 As a result of conduct and failures of Defendants, Plaintiff has suffered, and
23 shall continue to suffer, damages as further set forth in Article XIII hereinbelow, and is
24 entitled herein to an award of up to treble the actual damages sustained, plus costs and
25 attorneys fees, or in the alternative, for a rescission of the contract.

26
27 **X.**

28 **CAUSE OF ACTION AGAINST ALL DEFENDANTS FOR VIOLATION OF**
29 **CONSUMER PROTECTION ACT/UNFAIR COMPETITION/FALSE**
30 **ADVERTISING**

31 10.1 Plaintiff realleges paragraph 1.1 through 9.9 hereinabove.
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10.2 The acts and misconduct as set forth hereinabove constitutes false advertising and unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce pursuant Washington Consumer Protection Act, RCW 19.86 et. seq.

10.3 The acts and conduct of the Defendants as set forth herein involve a franchise business which the Legislature, pursuant to the Franchise Protection Act, has declared to be affected by the public interest.

10.4 Pursuant to Washington's said Consumer Protection Act, Plaintiff is entitled to seek injunctive relief to enjoin further violations, recover up to treble the amount of actual damages sustained, and a discretionary award of costs and attorneys fees.

10.5 Plaintiff's actual damages for breaches as set forth herein are more specifically set forth in Article XIII hereinbelow.

XI.

**CAUSE OF ACTION AGAINST SLBC, DEFENDANTS LITTLE AND DAVIES FOR
BREACH OF CONTRACT/UNIFORM COMMERCIAL CODE/EXPRESS AND
IMPLIED WARRANTIES**

11.1 Plaintiff realleges paragraphs 1.1 through 10.5 hereinabove.

11.2 The contract at issue herein involves the commercial sale of specific goods and services and is governed by the Uniform Commercial Code, Article 2.

11.3 Pursuant to the contract at issue herein, SLBC was to provide to Plaintiff all the brewery equipment necessary in order to provide a "turnkey" microbrewery operation, capable of producing the monthly capacity of SLBC brewed beer as further set forth in paragraph 4.14 hereinabove.

11.4 Plaintiff relied on Defendant's superior knowledge and skill to determine what equipment and accessories would be necessary for the efficient operation of such a microbrewery.

11.5 Pursuant to the contract, SLBC expressly warranted for a period of one year all of the equipment provided and its workmanship. Further, SLBC was a merchant with respect to the particular goods sold. As such, with respect to said equipment sold under the

1 contract, SLBC made implied warranties of merchantability and implied warranties of fitness
2 for a particular purpose.

3 11.6 As set forth in Article IV hereinabove, there were numerous breaches of
4 performance on SLBC's part that pertained to equipment procurement, equipment defects,
5 non-conforming equipment and equipment delays. Plaintiff has accorded SLBC ample
6 opportunity to cure said defaults. Notwithstanding, these issues persist to the instant date
7 and include, amongst other items, the following defective equipment or necessary items that
8 are required for the efficient operation of the microbrewery:

- 9
- 10 a) Non-conforming or defective bottle capping machine;
 - 11 b) Defective chiller/glycol system;
 - 12 c) Defective cooling jackets on the bottom of the Bright Beer tank;
 - 13 d) Defective Kegging equipment;
 - 14 e) Broken housing on the spare pump;
 - 15 f) Non-conforming bottle rinser;
 - 16 g) Lacking Carbon dioxide regulators for the bright beer tank, bottle filler
17 and keg filler;
 - 18 h) Lacking Mother carton sealer;
 - 19 i) Lacking Calibrated site glass for the liquid level on the hot liquor tank
20 and dissolving vessel;
 - 21 j) Lacking adequate work surface for the bottle transfer from pallets to
22 the bottle labeling machine;
 - 23 k) Lacking adequate work surface for the bottle transfer from the
24 sanitizer to the bottle filler;
 - 25 l) Lacking adequate work surface for the bottle transfer from bottle
26 capper to the carrier and mother carton packing;
 - 27 m) Lacking heating element for the kegging equipment;
 - 28 n) A method for pressurizing the product to the bottle filler is lacking;
 - 29 o) A matching receptacle and plug for the kegging machine product
30 pump is lacking;
 - 31 p) A hose connection and undamaged fan cover for the concentrate
32 pump.

33 11.7 In addition to the above breaches of performance and express and implied
34 warranties, Defendant has breached its performance under the contract by failing to fulfill the
35 necessary advance WORT supply orders required by Plaintiff. It has further deprived
Plaintiff of the benefit of its bargain regarding its licensing rights, as the licensing term is to
expire on April 30, 2010 and Plaintiff is still unable to manufacture the brewed products.

11.8 The contract at issue herein contains provisions setting forth that the SLBC WORT to be supplied to Plaintiff was to be made by SLBC in Ireland. The contract further states that SLBC would provide the necessary technical assistance in order that Plaintiff's brewed product would be of the same color, consistency, taste and quality as if such brewed products had been brewed in Ireland by SLBC. SLBC's failure to have an operating WORT processing plant in Ireland is a substantial breach of the contract.

11.9 SLBC has been, and continues to be, unable to replicate the color, consistency, taste and quality of its own SLBC brands at Plaintiff's microbrewery. This was the gravamen of the contract and constitutes a material breach thereof.

11.10 As a result of said breaches in performance and breaches of express and implied warranties, Plaintiff has suffered, and continues to suffer, damages as further set forth in Article XIII hereinbelow.

XII

PERSONAL GUARANTEE OF ROBERT LITTLE AND ANTHONY DAVIES

12.1 Plaintiff realleges paragraphs 1.1 through 11.10 hereinabove.

12.2 According to the contract at issue herein, all equipment that was to be provided to Plaintiff under the terms of the Contract were to be free and clear of any liens or encumbrances.

12.3 As further consideration for the performance of Plaintiff pursuant to the contract at issue herein, Defendants ROBERT LITTLE and ANTHONY DAVIES signed a personal guarantee, thereby guaranteeing that all equipment as provided for and referenced in the contract was unencumbered and free of all mortgages, charges and liens.

12.4 Confirmation that said equipment provided was free and clear of liens was to be provided by Defendants. To this date, Plaintiff has received no documentation or written confirmation that said equipment provided is free and clear of liens or encumbrances.

12.5 Pursuant to Article XIII hereinafter, materials and services have been provided on Plaintiff's leasehold premises which continue to remain unpaid. Said services were secured by SLBC in part to install or remedy defects in the equipment provided by SLBC.

12.6 Unless SLBC fully satisfies these claims, said service providers and materialmen are entitled to pursue lienhold rights as against Plaintiff's equipment and lienhold improvements.

12.7 Defendants Little and Davies are personally liable under said guarantee for any said defects in title or lienhold encumbrances on said equipment.

XIII. DAMAGES

13.1 Plaintiff realleges paragraphs 1.1 through 12.7 hereinabove.

13.2 Plaintiff has incurred out-of-pocket for the equipment, purchase installments and the initial licensing fee in the following amounts:

a)	SLBC license fee	\$50,000.00
b)	SLBC purchase price installments	<u>\$247,500.00</u>
		<u>\$297,500.00</u>

13.3 Plaintiff has incurred, and shall continue to incur, costs associated with the lease and leasehold improvements made necessary in anticipation of the performance of SLBC under the contract. These costs and expenses include the following:

a)	Costs for building improvements	\$91,000.00
b)	Miscellaneous equipment costs	\$22,000.00
c)	Facility Lease (52 months @ \$3,000.00/mo.)	\$156,000.00
d)	Utilities (3/09 - 7/09)	\$2,813.66
e)	Inventory	\$11,745.00
f)	Operating Supplies	<u>\$1,500.00</u>
		<u>\$285,505.66</u>

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13.4 Plaintiff has advanced and incurred to date the following out-of-pocket expenses that were the responsibility of SLBC in SLBC's performance of its duties under the contract:

a)	Necessary supplies, parts, equipment, inventory and rentals	\$4,895.54
b)	Construction and installation	\$3,344.01
c)	Duty/shipping/handling for equipment and product delivery	\$2,579.45
d)	Transportation and mileage	<u>\$110.00</u>
		<u>\$10,929.00</u>

13.5 The following is a list of contractors hired by SLBC to perform SLBC's duties at the microbrewery location who continue to remain unpaid and for which Plaintiff may likely be held responsible to pay in order to keep the property in which said equipment is located free from mechanic's and materialmen's liens:

a)	Strom Electric	\$12,756.01
b)	Ken Paulson Plumbing	\$2,181.43
c)	All Fabrication & Supply, LLC	\$1,458.49
d)	Power Science Engineering	<u>\$1,818.00</u>
		<u>\$18,213.93</u>

13.6 As a result of the various equipment failures caused by SLBC, Plaintiff has further loss to its product and inventory, in the approximate amount of \$1,000.00.

13.7 As a result of Defendant's misrepresentations concerning the *Irish* origins of the WORT supply and the ingredients used in connection therewith, Plaintiff has suffered out-of-pocket expenses for unusable labels, keg collars and accompanying carrying cases and accessories in the approximate amount of \$1,400.00.

13.8 As a result of the acts, conducts, breaches and violations as set forth hereinabove, Plaintiff has been damaged in an amount equal to the difference between the

1 value of the property and performance that was promised by SLBC to the Plaintiff and the
2 actual value of the property and performance that was actually received by the Plaintiff. Said
3 damages for STRATEGIC's loss of the "benefit of the bargain" contemplated under the
4 contract as promised by all Defendants herein, amounts to the sum of One Million Seven
5 Hundred Fifty Thousand and 00/100 Dollars (\$1,750,000.00).

6 13.9 As a proximate result of the inaccuracies of the representations made by
7 Defendants SLBC NA, STEPHENSON and Stripp to Plaintiffs GREENE, the GREENES
8 have suffered anxiety, stress and mental anguish in an amount to be proven at trial.
9

10 WHEREFORE, Plaintiff, STRATEGIC INTENTS, LLC, prays for the following
11 relief:
12

13 1. For rescission of the contract with SLBC, and a recovery of out-of-pocket
14 expenses incurred herein and to be continue to incur herein, in order to place Plaintiff in the
15 same situation as it was before it contract with Defendants.

16 2. In the alternative to rescission, for treble the losses and out of pocket damages
17 sustained by Plaintiff as set forth herein and in the further amounts to be proven at trial.
18

19 3. For injunctive relief enjoining SLBC from participating in such other and
20 further acts of deceptive and unfair trade practices in the State of Washington;

21 4. For damages in favor of STRATEGIC and against-all Defendants in the sum
22 of One Million Seven Hundred Fifty Thousand and 00/100 Dollars (\$1,750,000.00) for loss
23 of profits anticipated under the benefit of the bargain Plaintiff had anticipated had SLBC's
24 performance been in conformity with its representations in the inducement of the contract
25 and the actual contract terms;
26

27 5. For general damages in favor of STRATEGIC and against all Defendants in
28 an amount to be proven at trial for loss of time and income, inconvenience, and other general
29 damages.

30 6. In the alternative to damages for lost profits and the "benefit of the bargain,"
31 for a lien in favor of STRATEGIC on and against the contract property in Plaintiff's
32 possession, for costs and additional purchase amounts to cover the substitution of non-
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1 conforming goods and for recoupment of the purchase price sums remaining due and owing,
2 plus incidental damages and consequential damages;

3 7. For a judgment in favor of STRATEGIC against all said Defendants for costs
4 and reasonable attorneys fees arising out of the institution and prosecution of these
5 proceedings;

6 8. For a judgment in favor of Plaintiffs GREENE as against Defendants SLBC
7 NA, STEPHENSON AND STRIPP for damages as a result of anxiety, stress and mental
8 anguish proximately caused by said Defendants' false and misleading representations in an
9 amount to be proven at trial.

10 9.- For such other relief as the court deems fitting and proper.
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14 DATED this 4th day of September, 2009.
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17

18 AITKEN, SCHAUBLE, PATRICK,
19 NEILL, RUFF & SHIRLEY
20

21 By: 
22

23 Linda Schauble-Ruff, WSBA #014707

24 Of Attorneys for Plaintiff

25 165 Kamiaken Street, Suite 210

26 P.O. Box 307

27 Pullman, WA 99163

28 (509) 334-3505
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STATE OF WASHINGTON)

County of Whitman) : ss.

JEFFREY A. GREENE and MELINDA L. GREENE, Managers, of STRATEGIC INTENT, LLC, being first duly sworn, depose and say as follows: We are the Managers of STRATEGIC INTENT, LLC, the Plaintiff named in the above and foregoing complaint. We have read said complaint, know the contents thereof and believe the same to be true.

Jeffrey A. Greene
JEFFREY A. GREENE.

Melinda L. Greene
MELINDA L. GREENE

SUBSCRIBED and SWORN to before me by Jeffrey A. Greene and Melinda L. Greene this 4th day of September, 2009.



Linda Schauble-Ruff
Linda Schauble-Ruff
Notary Public in and for the State
of Washington residing at Spokane
My commission expires: 11/17/2010